

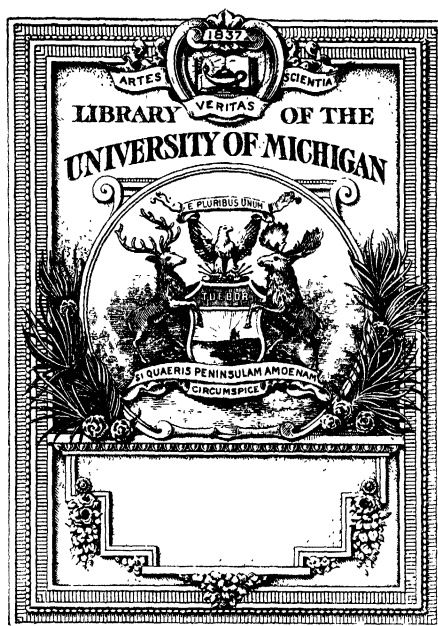
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THE MULTIPLE MONEY STANDARD.\*

I. THE RELATION OF MONEY TO INDUSTRIAL SOCIETY.

The money problem has arisen as a result of the development of modern industrial society. Under the new economic organization money has a vastly more important and, in some respects, an entirely new function to perform. If we go back to the time when there was but little trade and commerce and that mainly local, when division of labor in the modern sense did not exist, we can see that the mechanism of exchange was then relatively of much less importance than it is now. Prices had but little industrial significance and production was carried on for the most part independently of money. But with the reorganization of society on the basis of division of labor, prices have come to sustain an entirely new and a vital relation to production. The industrial motive is no longer expressed in terms of

\*The writer desires to acknowledge his indebtedness to Professor Henry C. Adams, of the University of Michigan, for many valuable suggestions, which have largely determined the character of this paper.

the concrete products of labor. We now think of the results of all economic processes in terms of the monetary unit. Money has become the one universal agency of production whose function it is to secure the co-ordination of the various industrial forces of our highly complex society.

Just what is involved in the money problem does not seem to be fully appreciated even by many who have made the subject a special study. There ought at least to be substantial unanimity of opinion as to the general aims and purposes of a monetary scheme, if not as to the practical means of working it out. But such is by no means the case. This is illustrated by the controversy between the gold monometallists on the one hand and the bimetallists on the other. It would be a mistake to suppose that the essential difference between these two monetary schools is one of mere practical detail. Their controversy is more fundamental than this and its true explanation is to be found in the different conceptions from which they start and in the different results at which they aim.

The bimetallists appear to have the clearer conception of what the money function in modern society is. They are right in maintaining that stability of general prices is essential to healthy industrial activity. But as a rule they lay too much stress upon the debtor and creditor relation. They seem to think that the existence of a large volume of indebtedness constitutes the chief argument for stable general prices.

There is, however, a much more important aspect of the question, usually either ignored or but imperfectly recognized, namely, the new relation which money sustains to the industrial forces of society. Formerly, one in thinking of wealth had in mind the concrete things which he produced and he himself largely consumed. He did not then have to convert the product of his labor into money in order to satisfy his wants. With the great bulk of production money had nothing whatever to do. But with the



development of trade and commerce, the introduction of the factory system and the specialization of industry, money came to be related to economic activity in a way that was entirely new. As a rule one consumes now nothing that he produces. The entire product of his labor must pass through the money form. We labor now not for the sake of the concrete product but to secure the money to which it corresponds. The industrial motive in primitive economic society rested on a commodity basis. In the present industrial organization it rests upon a money basis. To get this fact in all its bearings is to understand the new and vital function which money performs in our modern industrial life.

The most obvious function which money performs is that of a medium of exchange. As general purchasing power it circulates throughout industrial society, compensating each part for its contribution to the social well-being. So long as society has not reached a high state of industrial development this is the only purely social function which it performs. Alterations in general prices were a matter of but little consequence so long as men thought of the results of all industrial undertakings in terms of the concrete products. But when the abstract came to be substituted for the concrete conception of wealth, general prices became a matter of great importance. As a necessary consequence of this transition from the concrete to the abstract conception of wealth, money came to be the co-ordinating arrangement of industrial society. Upon it devolved the function of controlling industrial activities and directing them to the satisfaction of industrial wants.

Economic development has been marked by an ever increasing degree of interdependence between the units of industrial society. Productive processes no longer begin and end for the most part with the individual. From a loose aggregation of approximately self-sufficient units, industrial society has become practically organic. Production

has become a truly social function—social in the sense that the individual no longer produces for himself, but for society at large.

With this change in the relation of the individual to production, which involved the substitution of the abstract for the concrete conception of wealth, the abnormal symptoms of modern industrial society appeared. The spasmodic character of modern industry, the continually recurring periods of excessive activity followed by depression are due to the fact that the monetary system is not adapted to the work which, under the new and highly complex economic organization, it is called upon to perform.

So long as the results of production presented themselves to the minds of producers in their concrete forms, a rise or fall in general prices was not necessarily a seriously disturbing influence. But in the new organization of industry, general prices have a much closer and more vital relation to economic life. Society has become so complex, industry so specialized, the number of commodities so large, that a change in the level of general prices is not easily or quickly seen. Each producer looking at prices from his own particular point of view and seeing but a small part of the industrial field is conscious of only such changes in prices as affect those commodities in which he is immediately interested. A rise or fall in the price of his particular commodity is obvious to him, but not so the rise or fall in general prices which may accompany it and of which it may be a part. What he sees to have taken place is an increase or decrease in the money value of his product, and this he naturally interprets as an industrial advantage or disadvantage. And this conclusion is in the main correct. The fact that the change in the price of his particular commodity is merely a part of a general price movement does not indicate that his actual return is neither increased nor diminished. Industrial development has resulted in a differentiation of society into the wage-receiving class on the one hand and the capital-owning

classes on the other. Wages, rent, interest and profits have all come to be expressed in terms of money. The money value of the first three of these factors possesses a certain degree of stability or inertia, partly by reason of the fact that a change in the purchasing power of money is not readily seen and partly, especially in the case of interest and rent, as the result of time contracts. What remains of the total social income after these elements are deducted goes to the entrepreneur as profits. Now every change in general prices alters the distribution of the product between these several classes. A rise in prices has the effect of increasing the share of the entrepreneur. As a result of this partly real, partly fictitious increase in the entrepreneur's income, business becomes abnormally active, takes on a speculative character, and usually this upward movement of general prices comes to an end with the collapse of all speculative enterprises and the general prostration of industry. On the other hand a fall in general prices by diminishing the share of the entrepreneur weakens the industrial motive and leads to an actual decrease in production.

There is a disposition on the part of many students of economics to take a purely one-sided view of general prices. They look upon them as an effect and not as a cause. They seek to account for a rise or fall in general prices in the same way that they would explain a rise or fall in the price of any particular commodity. They appeal to supply and demand as an adequate explanation of the convulsive character of modern industry. They fail to see that while this does explain the price movement of any particular commodity, it is no explanation of a general price movement. It is only by ridding our minds of the abstract notion of wealth, which has become almost an inseparable part of all our thinking on economic matters, that we can see production as it really is. Disregarding entirely the money form through which commodities pass, we can see that the supply of a commodity is the quantity of that commodity in the market, while the

demand for it is the quantity of other things offered in exchange for it. But when we look at production in the aggregate the total supply and the total demand are one and the same thing and we would expect uniform general prices as the natural result.

But the fact that general prices do vary shows that this balance between the total supply and the total demand is not maintained. If goods were exchanged directly for other goods, without the intervention of money, there could be no such economic disturbances as panics and industrial depressions. Commodities, however, are not exchanged directly for commodities. The producer first converts them into general purchasing power. When no exchange medium exists the effective demand cannot exceed the supply; but when money comes into use one may buy more than he sells or sell more than he buys.

The individual does not ordinarily bring into the market all the purchasing power which he can command, but only so much of it as he can use with profit. Purchasing power is expressed in terms of the established unit of value, and business men act on the assumption that a given quantity of it will purchase the same amount of satisfaction one time with another. It is the only thing with which custom has associated the idea of unchanging value and it is natural that men should ascribe fluctuations in the price of a commodity to changes in its value, rather than to alterations in the value of that in which by common consent the prices of all things are expressed. Industrial activity having for its immediate purpose to secure not goods but money, the success of an industry is measured not by the resulting product, but by the units of purchasing power into which it can be converted.

While the individual may buy more than he sells or sell more than he buys, such is not true of industrial society as a whole. The aggregate purchases and sales must in the latter case be equal. General prices depend on the relation

between the aggregate purchasing power brought into the market, *i. e.*, the demand and the aggregate supply. No demand for goods that is accompanied by corresponding supply has any effect on general prices, since it does not disturb the relation existing between the aggregate supply and the aggregate demand. Rising general prices mean that for some reason people are more anxious to buy than to sell and consequently are bringing into the market a relatively larger quantity of purchasing power. Under normal conditions the demand is equal to the supply and there can be neither a rise nor a fall of general prices. The demand can be made to outweigh the supply only through the introduction of a speculative element into exchange.

With the extension of the market and the increased complexity of industry we should naturally expect a closer correspondence between supply and demand. The effect of developing and extending the economic organization of society should be greater certainty and regularity in production. Why is it that this result has not been realized? The explanation must be sought in the medium of exchange—in the machinery through which the various industrial forces are brought into relation with each other.

Our exchange medium, as now organized, is simply a commodity, whose value like that of any other commodity, is regulated by supply and demand. Using the term money in its broadest sense to include every kind of general purchasing power, we may say that the supply of commodities is the demand for money, while the demand for commodities is the supply of money.

As long as men thought of wealth in its concrete form there was a direct relation between supply and demand. The aggregate demand balanced the aggregate supply and production was therefore regular. But when the concrete gave way to the abstract conception of wealth, this direct immediate relation became an indirect mediate one. Under the old economic organization, the relation between the

aggregate supply of commodities and the aggregate demand was one of equality, and may be expressed by the following equation:

Total supply of commodities = Total demand for commodities.

Under the new organization of industry the relation between supply and demand takes this form:

Total supply of commodities = Total demand for money.

Total demand for commodities = Total supply of money.

But,

Total demand for money  $>$ ,  $=$ ,  $<$  Total supply of money.

It follows, then, that

$$\left. \begin{array}{c} \text{Total supply} \\ \text{of} \\ \text{commodities} \end{array} \right\} : \left\{ \begin{array}{c} \text{Total demand} \\ \text{for} \\ \text{commodities} \end{array} \right\} = \left\{ \begin{array}{c} \text{Total de-} \\ \text{mand for} \\ \text{money} \end{array} \right\} : \left\{ \begin{array}{c} \text{Total sup-} \\ \text{ply of} \\ \text{money} \end{array} \right\}$$

The above statement of the problem presents plainly to the mind the fact that fluctuations in the value of money are the cause of the paroxysms of modern industry. It is evident that every change in the value of gold must disturb the existing relations between supply and demand. If gold rises in value, or what is the same thing, the total demand for money becomes greater than the supply, the total demand for commodities is correspondingly diminished, and a fall in general prices ensues. If gold falls in value, the result is an increased demand for commodities and a rise in general prices. A gradual and prolonged fall in the value of gold means a condition of industry in which the demand for commodities is continually exceeding the supply. This is a period of speculation and abnormal activity in industry. If, on the other hand, gold is undergoing gradual appreciation, the demand for commodities is continually falling below the supply, and we have glutted markets and falling prices. This means industrial depression. Any change in the value of gold involves of necessity an opposite change in the money value of commodities generally. The line which represents the movement of general prices is but the

inverted image of that which shows the fluctuations in the value of gold.

The solution of the money question clearly lies in the direction of a broadening of the monetary basis. The circulating medium must be relieved of its absolute dependence on a single commodity. The movement of the civilized world toward gold monometallism is a backward and not a forward step. It has narrowed the monetary basis and thereby increased fluctuations in general prices at the very time when the economic organization of society had become such that stable general prices were absolutely essential to healthy industrial life.

An automatic regulation of general prices and through prices of the aggregate demand is an essential feature of any monetary system that meets the requirements of modern industrial society.

## II. TWO CONCEPTIONS OF A STANDARD OF VALUE.

The two general questions which present themselves at the outset are: (1) What do we mean by a standard of value? (2) What kind of a circulating medium will most nearly approximate in value the theoretically perfect standard? All would agree that the ideal standard is one which always has exactly the same value; but as to what is meant by always having the same value, there are two distinct and fundamentally different notions which tend, in their influence on the practical side of the money question, toward widely different results.

The gold monometallists stand for one conception of a standard; the bimetallists and paper money advocates for another. The former tell us that the ideal standard is one which represents the product of a constant quantity of labor;\* the latter say that it is a constant quantity of

\* See Adam Smith, "Wealth of Nations," Book 1, Cap. xi; Ricardo's Works, Cap. iii; D. A. Wells, "Recent Economic Changes," p. 225; John Stuart Mill, "Principles of Political Economy," Book 3, Cap. xv.

commodity.\* If labor were upon an average equally productive one time with another, these two conceptions, though theoretically different, would lead to results practically the same. But when the productive power of labor is being greatly augmented this distinction becomes one of great practical importance. If the unit of value represents a constant quantity of labor it would correspond to a continually increasing quantity of commodity—that is, the purchasing power of money would increase in the same ratio as the efficiency of labor.

But does not this conception of a standard overlook the fact that the value of labor depends on its productive power? If, for example, within a given period the general efficiency of labor should be doubled, the monometallists would say that general prices should fall one-half, because commodities are now being produced at one-half their former labor cost. They assume that the value of a given quantity of the average labor of one period is equivalent to that of a corresponding quantity of the average labor of any other period.

They would, however, insist on taking not quantity alone but efficiency also into account in estimating the value of present labor. Here they would recognize the fact that the value of labor depends on what it produces; but in converting the labor of one time into terms of the labor of another time, they would consider only its quantity and take no account of its efficiency.

This conception of a standard they do not seem to have taken the pains clearly to define. The idea which they everywhere keep in the foreground is that they are opposed to inflation, depreciation and dishonest money; and one would conclude from this general statement of their position that they have the same notion of a standard as that enter-

\* John Stuart Mill, "Principles of Political Economy," Book 3, Cap. i; Jevons, "Money and the Mechanism of Exchange," Cap. iii; E. Benjamin Andrews, "An Honest Dollar," Publications of the American Economic Association, Vol. iv, p. 404.



tained by the bimetallic and the paper money schools—that the controversy is merely as to the means to be employed and that the end which each has in view is the same. But a careful examination of the arguments by which some of the leading gold monometallists seek to defend and justify the single gold standard, brings to light their real conception which is entirely different. Their attempt to account for a fall in general prices by the introduction of new methods of production illustrates what they mean by uniform value. According to their way of looking at it, every step in industrial progress should be accompanied by a fall in prices commensurate with the increased productive power of labor. Everything should fall in price to the extent that the efficiency of the labor employed in its production is increased, while nothing should ever rise in price unless its labor cost has actually increased. They would claim that the tendency of industrial progress is to lower the value of the product, and unless the aggregate production is increased by an amount corresponding to the increased efficiency of labor, then the total product, though largely augmented, has yet actually decreased in value.

If this conception of a standard is right, it is impossible to increase the value of the aggregate product without extending the hours of labor and for a like reason any shortening of the hours of labor means a corresponding reduction in the value of the product. It would follow, then, that though the average individual now has more wants and those wants are better supplied than they were, say two or three generations ago, yet the means by which they are satisfied would represent less value, inasmuch as they are produced by a smaller quantity of labor.

Now it seems that it is this very conception of a standard on which the arguments of some of the leading supporters of gold monometallism are based, and it is against the application of this standard to the relations of debtor and creditor that those who oppose the single gold standard

protest. They fail to see any foundation for the implied assumption of gold monometallists that the creditor, as between himself and the debtor, is the exclusive cause of, and therefore entitled to all the benefits derived from industrial progress. They say that in his capacity of creditor he not only has no right to the whole of such increase in product as between himself and his debtor, but that he is plainly entitled to no part of it. They ascribe the development of industry to general social causes, which raise the grade of labor and augment its value as they enlarge its product. As this is a social product, it is a benefit which rightly accrues to every one in so far as he is a producer, and to this product no class as such can lay any claim. Hence, they arrive at the conclusion that falling prices mean an appreciating and an unjust standard.

Those who defend the single standard would admit that a fall in prices, which cannot be accounted for by diminished cost of production, is unjust to the debtor. But even if we accept the cost of production theory of value, how do we know that the fall in prices has not been greater than the increase in the general efficiency of labor? That cost of production has been cheapened no one would deny. But when it is claimed that the universal and continuous decline in gold prices during the last twenty years is accounted for by the increased efficiency of labor, one cannot help feeling that this explanation is not adequate. How much has industrial development added to the efficiency of labor? This question cannot be answered, but it is possible that the introduction of labor-saving machinery and methods has not kept pace with the decline in general prices. But even if there were a theoretical justification for the monometallist's conception of a standard, it would have no practical value, since there is no way in which the theoretical and the actual standard could be compared. It is obvious that the average efficiency of labor is a thing which in the extremely complex organization of modern industry is

absolutely incapable of even approximate measurement. The elements which enter into it are so diverse, so constantly changing, so intangible that no means could be devised by which the expenditure of social effort could be measured. And inasmuch as industrial progress is not measurable, it cannot safely be appealed to in defence of falling prices. It becomes a convenient instrument in the hands of those who wish to justify declining prices for explaining any fall in prices, no matter how great it may be.

The gold monometallists point to the improved condition of the wage-earning classes as proof that the increase in the purchasing power of gold has been attended with good results. But is there any evidence tending to show that this is in any considerable degree the effect of falling prices? The fact is the upward movement of wages has been brought about by causes more deep-seated and permanent, and the beneficent operation of these forces the fall of prices has retarded rather than helped.

The efficiency of labor furnishes a limit beyond which the appreciation of money, be it ever so great, cannot lift wages. A rise in the value of money, if out of proportion to the increase in the efficiency of labor, would of necessity involve a fall in money wages. On the other hand, it could not account for a rise in money wages. It is evident then that the appreciation of money cannot explain all the increase in wages. An excess remains over which must be ascribed to some more potent cause which would account for the entire increase in wages as easily as for a part of it.

Two other money standards, the marginal utility\* and the total utility standard,† have been suggested. They both assume that there may be a general decline in marginal utilities—that each increment of the aggregate product has less want-satisfying power than the preceding one. Total

\* See the paper on "The Theory of Final Utility in Its Relation to Money," by Dr. L. S. Merriam, *ANNALS*, Vol. iii, p. 483, January, 1893.

† "The Total Utility Standard of Deferred Payments," by Prof. E. A. Ross, *ANNALS*, Vol. iv, p. 425, November, 1893.

value according to the marginal utility standard is equal to total wealth multiplied by the utility of the last increment. The total utility standard on the other hand would make total value the sum of the utilities of the various increments. The one view maintains that the value of all preceding increments falls *pari passu* with the utility of the last increment and that general prices should register the general rise or fall of marginal utilities. The other view holds that a decline in marginal utilities lowers the value of only the last increment of the aggregate product—that a general fall in marginal utilities cannot cause a fall in the total value, though it does prevent total value from increasing as rapidly as total wealth. It would demand a fall in general prices very much less than the decline in marginal utilities. With each new increment of wealth a slight fall in general prices would be required in order that the money value of the total wealth might be increased by an amount corresponding to the diminished utility of the added product. Under the marginal utility standard as under the labor standard of the monometallists there might be a fall in total value along with great increase in total wealth.

From a practical point of view both the marginal utility and the total utility standards are open to the same objection as the gold standard. Even admitting that marginal utility does fall with the increase in wealth, there is no way in which this fall can be measured. They are also to be condemned along with the gold standard on the ground that they contemplate a continuous decline in general prices.

This question of standard is one that cannot be settled by reference to any preconceived theory of value. It is not simply a question as to what is theoretically just as between the debtor and creditor. These are not the only persons interested nor are they interested only as debtors and creditors. There is a general social interest that cannot be ignored in a discussion of this matter. Money serves as a standard of deferred payments, but this is by no means its most important

function. As a medium of exchange, the results of all economic processes are expressed in terms of it. This last function of money was discussed in the preceding section and the conclusion was reached that stable general prices are essential to normal industrial activity. Any monetary system which seeks to realize either rising or falling general prices must of necessity result in disaster. The general social and industrial effects of rising or falling prices are an evil, the far-reaching results of which it would be difficult to exaggerate. Besides, a monetary system which seeks to realize either rising or falling general prices is arbitrary inasmuch as there is no means of determining whether or not the actual standard conforms to the theoretical one.

### III. GOLD AN UNSTABLE COMMODITY.

To defend the gold standard successfully it must be shown not only that it is more stable in value than any other commodity but that it is more so than any practicable combination of other commodities. Without going into statistics it is safe to say that the tendency in the case of nearly all commodities is toward greater steadiness of value. The machinery of commerce is becoming so efficient that in the case of a great many things the whole demand has access to the whole supply, and by the whole demand is meant a demand not exclusively for present consumption, but for a period extending more or less into the future, while the whole supply in so far as it influences the present price is not exclusively an actual present supply but in a large measure an anticipated one. The influences which tend toward more stable prices are then (1) those which give the market a place extension and (2) those which give it a time extension. The effect of these two causes on prices is becoming more and more important with the extension of civilization, the development of cheap and quick transportation and the adoption of more scientific methods of production.

In the case of many commodities a great rise in price is out of the question, because of the fact that there are others similar in character, which can satisfy the given want almost equally well, and which will, if the first rises much in price, be substituted for it. The number of which this is true is continually increasing. We now have groups of commodities which may be used thus interchangeably, one commodity of which cannot rise very high without taking the others along with it. We thus have an effective restraint upon excessive rise in price in the fact that we can dispense with the article or supply the want to which it ministers from some other source. In other words, a demand for a given commodity is not an unconditional demand for that one commodity, but a demand for it within a certain price limit and beyond which it becomes a demand for something else.

An excessive fall in price may be prevented in the same way. If a commodity can satisfy some want of a lower grade than that to which it is usually applied, a fall in price may open up for it a new demand, which before did not exist.

In a more primitive state of society these limits to price fluctuation can hardly be said to exist; the first of these presupposes a plurality of commodities capable of satisfying a single want; the second, a single commodity capable of satisfying a plurality of wants. As the number and variety of commodities increase, the demand comes more and more to be conditional—to depend on price—and the margin of price fluctuation is correspondingly narrowed.

Gold, however, is not a commodity in which the tendency is toward greater steadiness of value.\* Those checks upon fluctuation, which exist in the case of a great many things, are here conspicuously absent. Aside from its money

\* For evidence to prove that the value of gold has undergone extensive changes, see Jevons, "Money and the Mechanism of Exchange," Cap. xxv; Simon Newcomb, "The Standard of Value," *North American Review*, Vol. 129.

function, there is no great industrial want that gold supplies. Its use in the arts is founded almost exclusively on the taste for display and ornamentation. The demand for it here is largely due to the fact that it is costly. While this furnishes no adequate protection against a fall in the value of gold, it is conceivable that with increasing wealth and the means of more effectually gratifying the taste for display, it might be a potent factor in raising its value.

The money demand for gold is subject to great alterations due to the alternate expansions and contractions of credit. A general extension of credit tends to lessen the money demand for gold, and there being no supplementary demand which can come in and take its place when this is withdrawn, there will result a fall in the value of gold which will continue as long as the demand for it is being lessened through the substitution of credit. There is no point at which its fall in value would be effectually brought to a stop by the opening up of a new demand, or at least such point is so far below its normal money value as to be practically non-existent.

When gold has begun to depreciate the tendency is always toward still greater depreciation and more extended credit. Each addition to the volume of credit brings about a still farther decline in the value of gold, which in turn leads to a still farther extension of credit. The possible depreciation of gold under these circumstances appears to reach a limit only at that point beyond which the credit system cannot be extended without breaking down.

Just as there may be an unhealthy expansion, so it may be followed by an abnormal and violent contraction of credit in which the market value of gold is carried as far and even much farther above what may be called its normal value than in the prior period of extended credit it sank below it. In a time like this all those devices for supplementing the work of gold as money are distrusted. What is wanted is that which the law has made a legal tender. If gold is the

sole legal tender, there is a greatly increased and a pressing demand for it. But it is a demand essentially unlike that for anything else. In the case of many commodities we can discontinue their use when they rise in price, or we may substitute others for them. The demand for gold on the other hand is a demand, the failure to supply which means financial ruin; moreover, it is a demand that we can supply with nothing except gold. The more intense the demand for it the greater the tendency to hoard it and the less the supply.\* The automatic check upon the rise in the price of gold is the limitation of the demand through the bankruptcy of the debtor class, which this state of things tends rapidly to bring about.

To understand the influence of credit on the value of gold it is only necessary to think of all credit transactions as sales of gold for future delivery. As long as prices are stable, and the purchasing power of money does not change, there is no motive for using credit for speculative purposes. Contracts for the future delivery of gold are not entered into with the expectation of making a profit by a fall in its value. But when prices are rising, credit transactions take on a speculative character; "short sellers" of gold (buyers of goods on credit) expect to make a profit by its depreciation, and therefore make their sales for future delivery as large as possible. The panic comes when the commercial world begins to realize that the short sellers of gold have sold more than they can deliver.

Looking at it in this light, is there any great benefit to be expected from the change which is being made throughout the civilized world to gold monometallism? The object, we are told, is a safe and stable currency; but how this result can be accomplished by narrowing the basis of money and reducing the possible volume of that which constitutes the legal tender it is difficult to see. The natural and legitimate

\* "Commonplace Fallacies Concerning Money," by Emile de Laveleye, in the *Contemporary Review*, Vol. 40.



effect of such legislation would seem to be to give to speculative forces a much greater influence over the standard of value.

It is generally assumed that the periodic rise and fall of general prices—the period of abnormal credit and speculation and the period of industrial depression are to be expected under any monetary system whatever. All these commercial and industrial evils are charged up to the abuse of the credit system, while the gold standard is held blameless in the matter. The truth is, however, that while the abuse of credit is a contributory cause of the rise of general prices, the abnormal expansion of credit is itself an effect which must be ascribed to the gold standard. The very fact that gold is subject to such fluctuations in market value, no matter what the cause may be, shows that it is not a good standard.

The problem seems to be not how to continue the monetary system permanently and for all time to come on a gold basis, but how to make commodities generally the basis of the circulating medium. There is no reason why a considerable number of commodities cannot be combined in such a way as to secure a standard of practically uniform value. On the basis of these commodities the circulating medium should be issued just as the paper money under the gold standard is based on gold. If a scheme can be devised which recognizes and gives full force to the principle of redeemability, then we would have a monetary system which credit could no longer seriously disturb. Practically the standard would be represented by the great mass of commodities. This being the case, a rise of general prices would be out of the question, as a rise in the price of one commodity would of necessity be balanced by a fall in the price of others.

In this direction, it seems, lies the possibility of effecting great improvements in the present monetary system.\*

\*"The Standard of Value," by Simon Newcomb, in *North American Review*, Vol. 129.

## IV. THE COMPOSITE GOLD AND SILVER STANDARD.

Is it possible to secure redeemability for a paper money issued on the basis of a composite standard? The nature of the problem here involved may best be presented by an illustration of this standard in its simplest form. For this purpose it is necessary to take only the familiar money commodities, gold and silver.

The idea which seems to underlie all existing monetary systems is this; that in order to use both metals as money it is necessary to establish a legal ratio between them and keep their market value in practical conformity to the ratio thus established. But no way has been devised of securing this result. No nation acting alone has been able to keep the market values of gold and silver from departing from their established coinage values, and it may be doubted whether it could be done even by the concerted action of all the leading commercial nations. Any such scheme, if its adoption could be brought about, would discourage the production of the costlier metal and possibly result in its ultimate disappearance from the monetary system.

But two money commodities do not require that there should be two kinds of money. For a composite standard it is not necessary that any ratio should be established between the component metals. Instead of declaring by law that 23.2 grains of fine gold shall be equivalent in value to 371.25 grains of fine silver, it is only necessary to make  $c$  grains of gold plus  $d$  grains of silver the unit of value. The unit in this case is neither  $c$  grains of gold nor is it  $d$  grains of silver, but the sum of these.

If the quantities of gold and silver thus taken are such that they are together worth a dollar, then the new composite unit is just equal in value to the former gold unit. The paper dollar which is issued on the basis of this new standard is an order for  $c$  grains of gold plus  $d$  grains of silver.

The proportion in which the two metals are combined in the standard would depend on the relative importance which we wish to give to gold and silver. If 23.2 grains of fine gold were equal in value to 464 grains of fine silver, we might take as our new bimetallic standard *11.6 grains of fine gold plus 232 grains of fine silver*.

Under this scheme a single bimetallic standard would take the place of the separate gold and silver standards which we now have. The law would merely define the quantities of gold and silver together forming the standard, but would in no way attempt to control their relative value. In this way it is possible to retain both gold and silver as the basis of a monetary system, since no matter how great a change in the relative value of the two metals may take place, there is no more inducement for the one metal to be withdrawn than for the other. Their relative money value would be determined by their relative commodity value and both would be available for monetary uses alike.

The paper money issued on the basis of this standard would differ from the present gold and silver certificates in that it would rest upon both gold and silver and not upon one metal alone. Every note would call for both gold and silver in the standard proportion. The coinage of gold and silver would be discontinued and bimetallic notes would form the entire circulating medium. The present subsidiary coinage might, however, be retained as more convenient than a fractional paper money and in that case no fractional bimetallic currency would be necessary.

The redeemability of the paper money thus issued could be secured as readily and effectively as in the case of that issued on the basis of a single commodity. There are three ways in which this might be done :

1. Redeemability might be secured by delivering to the party presenting the notes, gold and silver in the quantities and proportions called for in the notes. Under this plan each note is an order for a definite amount of each metal.

The gold and silver kept on hand for the purpose of redeeming notes could easily be composed of pieces of such size and character as to make the redemption of notes as easy a matter as under the present system.

2. The government might reserve the right of redeeming in either gold or silver at its own option—the amount of either metal which it is required to give in exchange for its notes being that quantity which has a market value equal to the aggregate value of the gold and silver which the notes represent.

3. Redemption might be secured as in the way last mentioned except that the option might be left to the holder of the notes.

The last two methods proposed are somewhat more complicated than the first. Under the first method no account would have to be taken of the market value of either metal; but under the second and third methods the market ratio between the two metals would have to be known. Each note here calls for a constant quantity of either metal and such additional quantity of the same metal as is equal in value to the metal for which it is substituted.

To find the amount of gold or silver to be given in exchange for the notes, it is only necessary to ascertain the quantity of gold or silver corresponding in value to the bimetallic standard and multiply this by the amount of notes expressed in dollars. To illustrate: Assuming that the bimetallic standard is 11.6 grains of fine gold + 232 grains of fine silver, and that the market ratio of gold to silver is 22 to 1, then by an easy arithmetical calculation we find that 232 grains of silver is equal in value to 10.54 grains of gold, and that 11.6 grains of gold is equal in value to 255.2 grains of silver. The bimetallic dollar then would be equal in value to 22.14 grains of fine gold or 487.2 grains of fine silver. The person presenting \$10,000 in bimetallic notes would be entitled to have them redeemed at his option in either 461.25 ounces of fine gold or 10,150 ounces of fine silver.

It might be objected to the first method that not every one would desire gold and silver in the standard proportion, and that a provision requiring their acceptance in the redemption of notes in that proportion would in a measure interfere with the operation of the principle of redeemability. The same objection might be urged against the second method. The third seems not to be open to any objection of this kind. Redeemability here would seem to be about as complete as under any scheme it is possible to devise. It might be proper to make the minimum amount which would be redeemed large enough to save unnecessary trouble and expense.

In some such way as this it seems that the results which bimetallism has in view may be realized. This scheme would not be open to the main objection to bimetallism, namely, the difficulty, if not the impossibility, of maintaining a parity between the two metals. It would, however, furnish a currency securely based on both gold and silver. Neither metal would be withdrawn from this use, since its value here would always conform to its value in the market. The difference is that under bimetallism we would have two kinds of money, while here we would have only one.

The object in both cases is to secure a more stable currency. The bimetallist proposes to accomplish this by tying the two metals together in such a manner that they can only fluctuate together. But under the scheme above described this result can be secured by taking a standard, the value of which is a mean of the values of gold and silver. This mean value is the fundamental idea in the composite standard.

The convertibility of the circulating medium into either of the money commodities in the way above described would prevent the money values of gold and silver from falling below their commodity values; to prevent, on the other hand, the money values of gold and silver from rising above their commodity values, it is only necessary that either

commodity should be convertible into money at its money or standard value. Referring to the above illustration, any one having 461.25 ounces of gold, or 10,150 ounces of silver, should be allowed to deposit it with the government and receive therefor \$10,000 in bimetallic notes.\*

#### V. THE TABULAR STANDARD.

The purpose of combining two or more commodities in the standard is to secure for it greater steadiness of value. In the composite gold and silver standard described in the last section, the fluctuations in the value of one metal would in a measure neutralize those of the other. Gold and silver, however, are commodities closely related, and for this reason are more likely to fluctuate in the same than in opposite directions. They constitute by themselves a distinct commodity group, and have little or nothing in common with the great mass of commodities for which they serve as a standard.

A composite standard would be less liable to vary if the commodities entering into it belonged to different groups, and were thus more nearly independent of each other. It would also possess greater stability if it embraced a larger number of commodities. The chances that the fluctuations in one direction will be neutralized by those in the other are directly proportionate to the number of commodities constituting the standard. If a considerable number of commodities were judiciously selected and combined in the right proportion, they would form a standard that for all practical purposes might be considered invariable.

This is the principle of the tabular standard of value which has been advocated by many eminent economists as a means of preventing some of the evils now attendant upon alterations in the value of the circulating medium. The essential features of this scheme are: (1) The separation of

\* See "Remedies for the Fluctuation of General Prices," by Professor Alfred Marshall, in the *Contemporary Review* for March, 1887.

the functions of money; (2) the retention of gold or silver or both, or paper money as the circulating medium and the temporary standard of value in terms of which all prices are expressed; (3) the adoption of a table of, say, fifty or one hundred commodities which shall be the permanent standard of value.

The prices of all the commodities in this table are officially determined from time to time, and their average or mean price is known as the total index number. The variations in the index number from time to time show the fluctuations in the purchasing power of money. Every contract calling for the future payment of money is subject to revision in conformity with the tabular standard when it becomes due. The amount required to be paid is found by comparing the index number at the time the obligation is created with the index number at the time it is paid. More or less money than the contract calls for must be paid according as the index number in the latter case is greater or less than in the former. If the index number has doubled, the money value of the obligation has also doubled; if the index number has diminished by one-half, the money value of the obligation has suffered a like reduction. If the index number was 100 at the time the debt was created, and 125 at the time it became due, it would indicate that \$125 had, when the debt became due, only the same purchasing power that \$100 had when it was incurred and, therefore, for every \$100 called for in the contract the debtor should return \$125. If, on the other hand, the index number had varied from 125 when the debt was created to 80, when it fell due, the debt could be extinguished by repaying \$66.66+ for every \$100 borrowed.

The adoption of this standard would prevent alterations in the purchasing power of money from seriously disturbing the relations between debtors and creditors, and would give to industry a steadiness and security to which we can not hope to attain under the present system. Under this

scheme there might be a general rise or fall of prices, but such alterations in general prices would not be attended with the disastrous results that now follow. Long time contracts could be made in terms of money without danger of the obligation of the one being increased or the claim of the other diminished.\*

The inconvenient feature of this scheme is that the real standard is not incorporated in the monetary system. The change in the price of a commodity may be due to an alteration in the value of the commodity itself or to a change in the value of the monetary unit. If the commodity has risen in price, it may mean that it has actually increased in value or that the monetary unit has fallen in value. In like manner a fall in price may mean a fall in the value of the commodity or an increase in the purchasing power of money. It may even have risen or fallen in value without any corresponding change in price, which would be the case where the circulating medium and the commodity in question had experienced corresponding alterations in value. A rise in price might even accompany an actual fall in the value of the commodity, while a fall in price might mean an increase in value. If the commodity in question and money had both increased or decreased in value, but the increase or decrease in the value of the latter had been greater, the commodity would have fallen or risen in price while having actually increased or decreased in value. The record of the price of a commodity from day to day would not indicate the changes in value which that commodity had undergone in relation to other commodities.

What this scheme lacks is simplicity and directness. The price indicates only one relation, that of the commodity to the circulating medium—while another relation—that of the circulating medium to the tabular standard—must be taken

\* Referring to a similar scheme of Joseph Lowe (1822), and that of Poulett Scrope (1833), Professor Jevons has already indicated how it might be carried into practice. See "*Money and the Mechanism of Exchange*," Cap. xxv.



into account before we can tell what, if any, have been the changes in value. The price must be corrected by referring it to the index number. The question then arises, is it not possible to combine these two relations to incorporate the tabular standard in the monetary system and make it the monetary unit as well as the standard of value? If such be possible, we could secure the results which the tabular standard would bring about without separating the functions of money. The price of a commodity would then indicate not only its relation to the monetary unit, but to the standard of value as well.

# VI. THE MULTIPLE MONEY STANDARD.

Let us assume that the commodities selected for the multiple standard are *corn, wheat, cotton, oats, silver and gold*, and that these six commodities constitute 20 per cent of the total value of the annual product. The assumed price, quantity and value of each of these commodities are given in the following table :

Commodity.	Quantity.	Wholesale price.	Wholesale value.
Corn, . .	1,600,000,000 bushels,	\$0.50 per bushel,	\$800,000,000
Wheat, .	500,000,000 "	1.00 " "	500,000,000
Cotton, .	3,500,000,000 pounds,	.10 " pound,	350,000,000
Oats, . .	625,000,000 bushels,	.40 " bushel,	250,000,000
Silver, .	70,000,000 ounces,	1.00 " ounce,	70,000,000
Gold, . .	1,450,676 "	20.68 " "	30,000,000
Total, . . . . .			\$2,000,000,000

In what proportion should these commodities be combined in the standard? The purpose of this standard is to secure as the basis of the unit of value the largest practicable mass of commodities. It follows then that each commodity should enter into the standard in the ratio of its importance. To assign to corn only the same rank in the standard as to gold, would ignore the fact that the former product is worth more than twenty-six times as much as the

latter. It would be an unwarranted discrimination in favor of gold and against corn, and would allow a comparatively unimportant product to influence in an unreasonable degree the value of the standard.

Taking such quantities of these commodities in the ratio of their relative importance, as shall have an aggregate value according to the gold standard of \$100,000, the new \$100,000, multiple standard would be made up as follows :

Quantity of commodity in standard.	Price.	Value.
80,000 bushels corn, . . . . .	\$0.50 per bushel,	\$40,000
25,000 " wheat, . . . . .	1.00 " "	25,000
175,000 pounds cotton, . . . . .	.10 " pound,	17,500
31,250 bushels oats, . . . . .	.40 " bushel,	12,500
3,500 ounces silver, . . . . .	1.00 " ounce,	3,500
72.5 " gold, . . . . .	20.68 " "	1,500
Standard, . . . . .		\$100,000

For the present it is assumed that we have a circulating medium which conforms in value to and which therefore gives all prices in terms of this standard. How such a circulating medium can be secured will be explained in the following section.

The law adopting the above standard does not attempt to fix the relative values of the several commodities composing it. All that it does is to declare what quantities of these commodities shall have an aggregate money value of \$100,000, just as the law now says that 23.2 grains of fine gold shall constitute a dollar. The prices of the standard commodities and consequently the value of the standard quantity of each commodity may change, but while these several items may change relatively to each other to any extent whatever, their sum total is always \$100,000. It is clear that all the standard commodities cannot rise or fall in price at the same time. Suppose, for instance, that corn under the new standard falls in price to forty-two and one-half cents per bushel and that the relative values of the other standard commodities have not changed, 80,000 bushels of

corn is now worth only \$34,000, but the other items in the standard have gained in value what the 80,000 bushels of corn has lost. The aggregate value of the standard quantities of wheat, cotton, oats, silver and gold has increased from \$50,000 to \$66,000, an aggregate gain of 10 per cent; and since their relative values have not changed, the price of each has risen 10 per cent. The total value of the standard is now distributed among the standard commodities as follows:

Quantity of commodity in standard.	Price in terms of the multiple standard.	Value in terms of the multiple standard.
80,000 bushels corn, . . . . .	\$0.425 per bushel,	\$ 34,000
25,000 " wheat, . . . . .	1.10 " "	27,500
175,000 pounds cotton, . . . . .	.11 " pound,	19,250
31,250 bushels oats, . . . . .	.44 " bushel,	13,750
3,500 ounces silver, . . . . .	1.10 " ounce,	3,850
72.5 " gold, . . . . .	22.75 " "	1,650
Total, . . . . .		\$100,000

A rise or fall in the price of one of the standard commodities would always involve, though in a much less degree, a fall or rise in the price of all the other standard commodities. While the fall in the price of corn in the case supposed was 15 per cent, or from fifty cents per bushel to forty-two and one-half cents per bushel as measured by the multiple standard, its fall, as compared with gold, would have been 22.8 per cent, or from fifty cents per bushel to 38.6 cents per bushel. For the same reason a rise in the price of a standard commodity would be less when measured by this standard than when compared with any single commodity standard. The multiple standard reduces the fluctuations of all the component commodities. To understand how it does this we have only to remember that the gold price of gold is constant, and that, if corn for instance were our standard commodity, the price of corn would fluctuate as little as that of gold does under the gold standard. Each commodity in the standard is compared with a unit of value of which it forms a part and

to the extent that it enters into the standard, just to that extent are its fluctuations in price diminished.

The decrease of price fluctuations from this cause is greatest when there are but few commodities in the standard. The effect varies from a complete elimination of fluctuations where the commodity forms all of the standard, to practically nothing where the commodity constitutes a very small part of the standard. With a very large number of commodities in the standard the effect on the prices of the unimportant commodities would be slight, but in the case of the great staple commodities which form a large part of the total product, price fluctuations would be confined within a much narrower range. Under this standard an increase in the quantity of commodities would mean an increase in the money value of the total product.

As explained above a fall in the price of corn to forty-two and one-half cents would necessitate a 10 per cent rise in the price of all the other standard commodities. If then the quantities of these six commodities are the same under the new prices as under the old, their aggregate money value, although their prices have changed, has suffered no change whatever. Prices cannot be altered in such a way as to affect the aggregate value of these products. The aggregate value can be increased or diminished only by increasing or diminishing the quantity of product.

A fall in the price of corn from fifty cents to forty-two and one-half cents per bushel, while the relative prices of the other standard products have not changed would indicate that there had been an increased production of corn. And, since the total value of these six commodities would, as we have seen, remain the same only on the assumption that there had been no increase in the quantity of any of them, the fall in the price of corn would indicate an increase in the value of the total product to the extent of the value of that part of the corn crop in excess of 1,600,000,000 bushels. If instead of a fall there had been a rise in the price of corn, the

relative price of the other commodities remaining unchanged, it would indicate in so far as it was due to a diminished supply, that there had been a diminution in the total value of the standard commodities to the extent of the decrease in the supply of corn. A fall in the price of a commodity cannot lower the total value of the standard products unless along with the fall in price had gone a decrease in the quantity of that commodity. On the other hand a rise in the price of a standard commodity could not raise the total value of the standard commodities unless the rise in price had been accompanied by an increase in quantity.

If all commodities entered into the standard in the ratio of their importance, an increase or decrease in their total money value would mean an increase or decrease in quantity. Practically the same result could be obtained by taking only the more important commodities. Under this standard there could be no rise or fall of general prices. Any commodity might rise or fall in price, but such rise or fall would have no effect on the total value of commodities. What is true of a single commodity would be true of commodities as a whole, there could be no alteration of general prices that would disturb the aggregate value of commodities. This would be a standard that for all practical purposes would correspond to a constant quantity of commodity.

There would be changes in the prices of commodities with the progress of invention and discovery. The introduction of improved methods of agriculture and better farming implements would temporarily lower the prices of farm products. Corn, wheat, etc., would now be produced at a less expenditure of labor than other commodities. They would, therefore, fall in price; but this would be balanced by a slight rise in the prices of all other things. When, however, a corresponding improvement in production shall have taken place in all other lines the prices of farm products will have risen to their former level. Every improvement in production will have the effect of lowering the prices of

those commodities whose labor cost is diminished and slightly raising the prices of all other commodities.

The relative importance of a commodity is liable to change in the course of time. Corn, for instance, which represented 8 per cent of the total product when the standard was adopted may, after the lapse of some years, constitute only 5 per cent of the total product. The relative importance of cotton, however, may have increased. The standard should be revised from time to time so as to conform to these permanent changes in production. A commodity which has become important should be put in the standard, while one which has become of no importance should be dropped.

The revised standard would be the exact equivalent of the old standard and there would be no alteration in prices. But prices will fluctuate less under the standard as revised since the effect of the change is to give it greater stability. The revision of the standard which would probably be necessary, or rather advisable, at long intervals would present no great difficulties and, inasmuch as it would not disturb prices, would be attended with no evil results whatever.

Any commodity could be included in the standard which is capable of being accurately defined as to quantity and quality. A great number and variety of products would meet this requirement. It would probably not be a difficult matter to secure standard commodities representing the greater part of the annual product.

The price of a commodity varies with the location of the market. It is higher in those markets farther from, and lower in those nearer to the source of supply. The standard prices then are those which prevail at some one selected market, as, for instance, Chicago. The wholesale Chicago prices of the standard commodities would regulate the value of the circulating medium throughout the entire country. One hundred thousand dollars would purchase in New York that quantity of goods corresponding in value not to the

aggregate wholesale value at New York of the standard quantities of corn, wheat, cotton, oats, silver and gold, but to their value at Chicago.

While New York and Chicago prices are not the same, they should bear such a definite relation to each other that the prices at one place being given those at the other can be readily determined. If railway rates were fixed, the wholesale prices at Chicago, barring such slight variations as are due to local fluctuations in supply and demand, would bear a fixed relation to the prices at all other points. It is assumed then that the cost of transportation is a constant quantity.

#### VII. THE CIRCULATING MEDIUM.

An Act of Congress establishing the multiple standard would also provide for the issue of a paper money to replace the gold and silver coins and notes now in use. This money would be a full legal tender in payment of all obligations public and private. It would be provided that after a specified future date the old circulating medium should no longer be a legal tender, but that prior to that date it might be exchanged, dollar for dollar, for notes issued on the basis of the new standard. After that date gold and silver coins and notes issued on the basis of either of these metals would be receivable only at the market value of the gold or silver which they represent.

The notes issued under this scheme would be convertible into either gold or silver at the option of the party presenting them for redemption. No notes would be redeemable in amounts of less than, say, \$1000.

It would be necessary to establish in connection with the Treasury Department a bureau whose duty it would be to ascertain, record and publish daily the wholesale Chicago prices of the standard commodities. This information should be published in a form that would clearly show the variations in the purchasing power of money as evidenced

by the changes in price of the standard commodities. This daily report might be in the following form:

Wholesale prices at Chicago of the standard commodities. (Date.)

Corn (standard quality), . . . . . \$ 0.5125 per bushel.

\* \* \* \* \*

Silver (standard quality), . . . . . \$ 1.00 per ounce.

Gold, " " . . . . . 20.68 "

Value of standard quantities of corn, wheat, cotton, oats, silver and gold at above prices.

80,000 bushels corn, \$0.5125 per bushel, . . . . \$ 41,000

\* \* \* \* \*

3,500 ounces silver, \$1.00 per ounce, . . . . . \$3,500

72.5 ounces of gold, \$20.68 per ounce, . . . . . 1,500

\$101,000

Value of one dollar of the circulating medium in terms of the standard, \$0.99+.

The aggregate value of the standard items as given above is \$1000 in excess of \$100,000, indicating an aggregate rise in the prices of the standard commodities to that extent, and a corresponding depreciation of the circulating medium. The amount of this depreciation is found as follows:

$$\$101,000; \$100,000 = \$1.00 : x. \quad x = \$0.99+.$$

At the time the multiple standard is adopted it corresponds in value to 4835.58 ounces of gold or 100,000 ounces of silver. \$20.68 cents per ounce for gold, or \$1.00 per ounce for silver, is then the price, at which the government undertakes for the time being to buy or sell gold or silver. It cannot, in the nature of the case, be a permanent price, since the gold or silver equivalent of the multiple standard is liable to change. The government price must be raised or lowered from time to time so as to keep it in practical conformity with the value of gold and silver in the markets of the world.

The price of gold and silver being fixed by the government their value in the home markets will follow that of the



circulating medium. To the extent that there is a rise or fall of general prices, just to that extent will the local or home value of gold and silver be depressed or raised. Let us assume that the prices of the standard commodities have risen until the sum of the standard items is \$102,000. It now requires 4932.29 ounces of gold or 102,000 ounces of silver to purchase what 4835.58 ounces of gold or 100,000 ounces of silver would purchase if prices were not abnormally high. This means that the local values of gold and silver have been depressed to that extent. It follows that a given depreciation of the circulating medium under the multiple standard would bring in notes to secure gold or silver as readily as a corresponding depreciation of the circulating medium under the gold standard would bring in notes to secure gold. On the other hand, a given appreciation of the currency would be as effectual in bringing in both gold and silver to secure notes in the one case as it would in bringing in gold alone in the other.

A circulating medium issued on the basis of the multiple standard and convertible into either gold or silver in the way above described would tend to conform in value to that standard in the same way and to the same extent that a currency issued on the basis of gold tends to conform to the value of gold in the world's market. There can be no greater fluctuation in the value of this circulating medium than is possible in the gold currency of one country as compared with that of other countries. The money issued on the basis of the multiple standard would conform as nearly in value to that standard as a gold currency would to the world's market value of gold. Both kinds of currency would be liable to the same local and temporary variations in value. The one, however, would tend to conform to a standard practically fixed, while the other would tend to conform to a variable standard.

At any given time and place, the change which the purchasing power of money has undergone as compared with

its value at some prior time and place depends on two factors: (1) Its local appreciation or depreciation. (2) The alteration in the value of the standard itself. The adoption of the multiple standard would give us a currency the local fluctuations of which could be no greater than those of a gold standard currency, and which besides would be practically free from the variations due to alterations in the value of the standard.

If the government valuation of gold and silver were made to follow closely the general world market value of these metals, the currency issued under this scheme would, as we have seen, be self-regulative in the same degree that a currency issued on the gold basis is self-regulative and would, besides, be free from those variations to which gold as a standard is liable.

This automatic check on the local variation of general prices may not, however, come immediately into play; and though it eventually brings prices back to their appropriate level, it may not do so until the rise or fall has been sufficient in degree and long enough continued seriously to disturb industry. What is needed is a remedy that acts as soon as prices show a tendency to rise or fall—that acts promptly and effectually and which, therefore, makes anything more than a slight temporary variation of general prices an impossibility.

To regulate the value of the circulating medium through convertibility into gold or silver, it is necessary that \$100,000 should always secure or be secured by that quantity of either gold or silver corresponding in value to the standard. But gold and silver have two values; one a local value which in any given country depends on the state of the currency, the other a general market value. Should the currency be redeemable in gold or silver at the local or the general market value? If its general market value is to govern, then the person presenting \$100,000 in notes for redemption may not secure gold or silver equal in value in the home market to the

standard. To illustrate: Suppose that prices have risen until the sum of the standard items is \$102,000. The established price of \$20.68 per ounce for gold and \$1.00 per ounce for silver represents the general market value of these metals. Their local value, however, has decreased in the same ratio that general prices have risen. One hundred thousand dollars can be exchanged for only 4835.58 ounces of gold, or 100,000 ounces of silver, while in the home market the standard corresponds in value to 4932.29 ounces of gold, or 102,000 ounces of silver. The gold or silver for which the notes may be exchanged has no greater value in the local market than the notes themselves. For this reason no motive exists, even when the currency is locally depreciated, for buying gold or silver except to supply a foreign market. The man who buys gold or silver with depreciated currency and sells it again when the currency has regained its normal value finds that he is no better off than he would have been, if he had merely retained the depreciated notes. They would have appreciated as much in his hands as the gold or silver.

A circulating medium which is convertible into gold, or one convertible into silver, or one convertible into either of these metals at a fixed price, has but little elasticity. This is equally true of a currency based on the single gold or the single silver standard or of that based on the multiple standard and convertible into either gold or silver. The rise of prices must bring about a foreign demand for the precious metals before the volume of the circulating medium is automatically reduced.

A more sensitive mechanism for the regulation of general prices is obviously desirable. The only way in which this can be secured is by making the process of contraction or expansion coincide more nearly with the rise or fall of general prices. This greater elasticity would be obtained by varying the price of gold or silver inversely as general prices.

The quantity of gold or silver required to redeem a given amount of notes should be made to vary in the same ratio as the sum of the standard items. By varying the price of gold and silver in this way greater elasticity would be given to the circulating medium. But would this result in itself justify the scheme proposed? Would it not make a given amount of notes redeemable in too large a quantity of gold or silver? This might be our first impression but a little reflection, however, will convince us that it is not the case.

Under the single gold standard, notes, whether depreciated or not, always exchange for the same quantity of gold. This makes the circulating medium tend to conform to the general market value of gold. When, however, the currency is locally depreciated, one cannot, by converting it into gold, secure that command over commodities which he would have if the local value of gold corresponded to its general market value.

In the circulating medium, based upon the multiple standard, this difficulty is overcome by making the price of gold or silver vary inversely as general prices. Assuming that the local depreciation of gold and silver corresponds to that of the circulating medium, then the amount of either metal required to redeem \$100,000 in notes would be that quantity of gold or silver which has a local value equal to that of the standard; or, which is the same thing, that quantity which at its general market price would correspond to the sum of the standard items.

The government is compelled to buy gold and silver slightly above their general market price when the currency is appreciated, and to sell them slightly below it when it is depreciated. Fluctuations in the purchasing power of money would thus become a general tax upon the community. The loss thus entailed on the government would be slight, however, as compared with that which the people in their individual capacity sustain, where no attempt is made to limit the fluctuations of the circulating medium.

The convertibility of gold or silver into notes and of notes into gold or silver in the way described would prevent any sensible variation in the purchasing power of money. Under this scheme those periodic collapses of credit, in so far as they are the result of a speculative condition of industry affecting the prices of commodities, would not occur, since the motive for unduly extending credit, namely, the expectation of making a profit through the depreciation of money, would not exist. Accurately speaking, the motive for undue extension of credit is not based on a belief that the value of the monetary unit will fall, but is to be ascribed rather to the expectation that the value of goods will rise. The business community habitually look upon the established monetary unit as possessing a constant quantity of value. It is partly as a consequence of this fact that interest, wages and other fixed money payments do not readily adjust themselves to a change in the level of general prices. To eliminate the conditions that permit a rise or fall of general prices is to remove the cause of undue expansion or contraction of credit.

But is it necessary that a deficiency of currency should be supplied or an excess removed only through the purchase or sale by the government of gold or silver? If there should be any occasion for a considerable expansion or contraction of the volume of the circulating medium, it would, if effected in this way, unduly increase or decrease the government holdings of gold or silver. There should exist some means of easily and quickly increasing or decreasing the amount of money in circulation to any desired extent. There are two ways in which the government might remove an excess or supply a deficiency of currency: (1) by borrowing or lending as the case may require; (2) by selling or buying.

To supply a deficiency of money through the medium of loans, it would seem necessary for the government to assume the banking function and establish a direct relation between itself and the borrowing public. An elaborate machinery

would have to be maintained and kept constantly in working order, which means that banking would become an established governmental function.

The government might make any needed addition to the volume of currency by going upon the market and purchasing good securities, continuing this operation until the demand for currency was supplied. In this way the circulating medium could readily be expanded to any extent whatever. National, state and municipal bonds and the bonds of such industrial corporations as are under government regulation and control would be suitable for this purpose.

An excess of currency might be removed by simply reversing this process. A tendency of general prices to rise might be counteracted by the sale of such securities as the government might possess. The process of reducing the volume of the circulating medium could be continued from time to time until the excess is removed. If the government does not possess securities enough to effect the necessary reduction in the volume of the currency, it might issue and sell call bonds for this purpose.\*

The government would always purchase on a falling market and sell on a rising market. It follows that the purchase and sale of securities, though undertaken solely with the view of regulating the currency, would incidentally be a source of revenue. The profit which would accrue to the government in this way would probably be much greater than the loss it would sustain in consequence of the variable price of gold and silver.

Whether the contraction of the circulating medium is effected in this way or by the sale of gold and silver, it ultimately takes the form of taxation. The excess is not removed as a tax since it must be carried off by some machinery which can be called into immediate action. It is necessary, however, to include it in the future taxes levied

\* See "An Honest Dollar," by E. Benjamin Andrews, Publications of the American Economic Association, Vol. iv, p. 434.

since the government must maintain its stock of gold and silver and pay its bonds. In the long run then taxation is the agency employed to regulate the volume of the currency. Contraction is accomplished by collecting in the form of taxes more than the government expends, while expansion requires only that the revenue should be less than the expenditure.

Considered by itself, the fixing of the price of gold or silver, so as to make it approximate the general market value, would appear to be a very difficult matter; but, in reality, it is very simple. Viewed in their relation to each other, the price and the reserves are related as cause and effect. So long as gold and silver are valued neither too low nor too high no difficulty will be experienced in maintaining the proper reserves. By varying the price of gold or silver from time to time so as to keep the reserves right in proportion and amount, the practical conformity of the government price to the general market value would be secured.

To begin with, the gold prices prevailing at the time of the adoption of the multiple standard would furnish the means of easily fixing the price of gold and silver in terms of the new standard. This, as we assumed, was \$20.68 per ounce for gold and \$1.00 per ounce for silver. When any considerable difference arises between the price thus fixed and the general market value, it will affect the reserves in one of the following ways:

1. A decrease in the stock of gold in the treasury.
2. A decrease in the stock of silver.
3. A decrease in the stock of both gold and silver.
4. An increase in the stock of gold.
5. An increase in the stock of silver.
6. An increase in the stock of both gold and silver.
7. An increase in the stock of gold and a decrease in the stock of silver.
8. A decrease in the stock of gold and an increase in the stock of silver.

The first result indicates that gold is being taken out of the country because it commands a higher price abroad.

The price in this case should be gradually raised until equilibrium between the local and the general market value is restored. In the second case the price of silver is too low and in the third the price of both gold and silver should be raised. The fourth result would be evidence of too high a local valuation of gold; the fifth, of silver, and the sixth, of both gold and silver. The seventh result would show that gold was overvalued and silver undervalued, while the eighth would indicate an undervaluation for gold and an overvaluation for silver.

It is assumed that the reserves of gold and silver are not affected by changes in general prices. Of course a rise of prices will increase the private holding of gold and silver while a fall of prices will bring these metals into the treasury. In either case the effect is temporary and does not increase or diminish the total stock of gold and silver within the country.

The circulating medium might be made redeemable in gold alone. Greater simplicity would thus be secured without any loss of efficiency. Nor is it necessary that the commodity into which the notes are convertible should form a part of the standard. Gold might be taken out of the standard and still be made to perform satisfactorily the entire work of regulating the value of the currency.

The circulating medium under this scheme would be issued directly and exclusively by the government and the volume of money would at all times correspond to the actual needs of commerce.

#### VIII. A NATIONAL *vs.* AN INTERNATIONAL STANDARD OF VALUE

The notion prevails to a greater or less extent that an international standard of value is a commercial necessity. This is one of the principal arguments for the single gold standard. It is claimed that its adoption by the leading commercial nations puts that country which does not have



this standard at a disadvantage in its international trade. This is based upon the assumption that fluctuations in the rates of exchange between gold-using countries and those which have some other standard are a burden that falls for the most part upon the latter. But is this true? Do the gold standard countries in fact suffer less than others from fluctuations in foreign exchange? A fluctuating rate of exchange may or may not be an evil. It is, if due to changes in the value of our own monetary unit; but if occasioned by alterations in the value of the monetary unit of other countries, it is not.

To make stability in the rates of foreign exchange the test of a good monetary system is to lose sight of the most important function that money performs in modern society. The crucial test is not steady rates of foreign exchange, but the existence of a practically constant relation between the monetary unit and commodities generally. If the purchasing power of money is constant, we have nothing to fear from fluctuations in foreign exchange. This is clear if we remember that the rate of exchange is merely the expression of the relation between two different monetary units. A change in the value of either is followed by an alteration in the rate of exchange. Between two gold standard countries the rate of exchange is practically constant although gold may fluctuate greatly in value. Between a gold and a silver standard country the rate is fluctuating; but if the purchasing power of silver is more nearly constant than that of gold, it is the gold and not the silver standard country that suffers.

Some advantages would follow from the adoption by all nations of a uniform monetary system, if along with it could be secured in each country stability in the value of the monetary unit. Such a scheme does not seem to be attainable under the existing social and political conditions. The gold monometallists propose to realize this conception of an international standard by making gold the standard commodity in every commercial country. The benefits

derived from the general adoption of the gold standard are, however, apparent rather than real. The question at bottom is not so much the relation which exists between two monetary units as such, as that existing between commodities in the one country and commodities in the other.

Cost of transportation is an element in the price of all and a very large element in the price of many commodities. It is assumed, however, for the purposes of this argument, that gold is unlike other commodities in that transportation is nowhere an element in its price. If there were any other commodities which, like gold, could be carried without cost to all parts of the world, then gold would have, so far as these commodities are concerned, everywhere the same purchasing power. But gold does not possess the same purchasing power in all countries, and it may be that there are no two places within the same country at which it is exactly the same.

Gold has a greater purchasing power in some countries than in others. In some places it buys more of commodities generally; in others, less. Other things being equal, the purchasing power of gold is greatest or, which is the same thing, the general level of gold prices is lowest in that country whose imports are made up of those commodities which are carried at the least cost. The effect of this would be to make general prices rather higher in those countries whose exports are valuable goods and whose imports are mainly cheap heavy products. On the other hand a purely agricultural country, which exports cheap and imports costly goods ought to have a lower range of general prices than a manufacturing country. This would be true if there were no restrictions upon international trade. Duties levied upon articles of international commerce must, however, be taken into account. An increase in the duty on imports means that the level of general prices within the protected country is artificially raised. What would be true as between nations, if we had perfect

freedom of international trade, would also hold as between different parts of the same country. The application to railway rates of the principle of "charging what the traffic will bear" tends, however, to equalize the purchasing power of money in different parts of the country. Whether it varied from place to place within the same country or not, there would, if transportation rates were fixed, be a constant relation between the purchasing power of money at any two points.

The purchasing power of gold in any given country depends on two sets of conditions—one internal and the other external. As these are not the same for any two countries, and moreover are not constant for any one country, there is no definite, ascertainable relation between the purchasing power of gold in different countries. As its purchasing power depends on this relation and not on the average efficiency of labor within the given country, it is easy to see that the conception of a standard, which the gold monometallist has in mind is not realized in universal gold monometallism. Even if the purchasing power of gold did increase, taking its average the world over, in the same ratio as the efficiency of labor, there would be no necessary connection between the efficiency of labor and the purchasing power of gold in any given country. In a country whose industrial development was below the average the purchasing power of gold would be too high, while in a country which had taken the lead in industrial progress it would be too low.

No argument for international money is sound which fails to recognize that the first requisite of a good monetary system is steadiness of value. Besides, as the great bulk of our commerce is in the very nature of the case domestic, not foreign, it behooves us to look at the money question from the point of view of domestic rather than of foreign trade.

How under the multiple standard could the reserves of gold and silver be maintained in the presence of a greatly

fluctuating foreign demand? As above stated this result could be secured by raising or lowering the price of gold or silver as the case might require. From the point of view of foreign trade gold and silver are simply commodities and are exported or imported in obedience to the same laws that determine the international movement of other things. Where capital travels freely from one country to another there is no discoverable relation between the movement of the precious metals and the balance of trade.

"There is in Europe," says Professor H. C. Adams, "a system of international payments of which we know little or nothing in this country. If, for example, a merchant in Paris wishes to make a payment in Berlin, it is quite customary for him to send securities of some sort to his Berlin agent, which, being sold, permit him to place so much of their proceeds as are necessary to the order of his creditor. The securities thus used are known as 'international values.' They may be the bonds of any reliable state whose paper cannot be retained among its own citizens. Thus the bonds of Italy, Spain, Turkey and Russia are so used. Railroad securities, as also the paper of other well-established industrial corporations, swell the total of 'international values.' The point of importance, however, is to recognize the existence of such values, and to understand that by means of them any special stress upon one market may be in part transferred to other money centres. These 'international values' act as connecting pipes between great reservoirs of capital." \*

We should bear in mind that a diminution of the government reserves of gold and silver through exportation may be due to the fact that capital is being withdrawn from the country. It is this very mobility of capital that introduces into modern industrial society the periodic and widespread evil known as the commercial panic. It has bound together

\* "Public Debts," p. 56. See also Bagehot "Economic Studies," p. 67, and Report of U. S. Comptroller of Currency, 1888.

the commercial nations of the world in such manner that any shock to the industries of one country is immediately transmitted, perhaps with increased force, to every other country. The cause may be local but the effect is general.

In case of a collapse of credit in any country this cosmopolitan loan fund, attracted by the high rate of interest, rushes in to fill up the void. This raises the rate of interest in all countries through which this fund circulates. The sudden redistribution of this international capital affects disastrously all commercial nations. What is at first a purely local evil develops into a struggle for this general loan fund, which means ruinously high rates of interest in all countries and a general commercial panic.\*

Now it is this very evil that the adoption of the multiple standard would enable us to avoid. It would secure us exemption from all commercial disturbances which are not peculiarly our own. It would supply what now does not exist, *viz.*, the means of preventing a sudden withdrawal of capital without raising the rate of interest.

Let us assume that this standard has been adopted and that the entire business of the country has become adjusted to the new unit of value—that all contracts and obligations of every kind are expressed in terms of it. Suppose now that England, for instance, is visited by a severe commercial crisis. The immediate effect is a rise in the rate of interest and a fall in the price of securities on the London market. England is now a seller of securities. She must have cash and the only way to secure it is to offer stocks and bonds at prices which will tempt foreign investors to supply her with gold. This means a contraction of the circulating medium in all other gold standard countries. The monetary system of the United States being on a different basis would not be disturbed. The American investor would not be able to

\*The panic of 1893 was due primarily to disturbances in the London money market, for which the United States was not responsible, but which it was powerless to shut out. See "Panic in the U. S. in 1893," by Albert C. Stevens, *Quarterly Journal of Economics*, January, 1894.

make a profit by purchasing English securities. As soon as gold begins to be taken for export the government raises its price. American capital must take the form of gold before it can purchase English securities. But gold, here, is not as it is in the gold standard countries, a commodity which can be bought at a fixed price. The American investor finds that the price which he has to pay for gold rises in the same proportion that the price of stocks and bonds on the London market falls. From his point of view, what has really taken place is not a fall in the price of English securities, but a rise in the price of gold. There has been no change in the United States in the relation of money to commodities or in the market rate of interest. The only effect of a foreign panic has been a rise in the price of one commodity, *viz.*, gold. While the gold standard countries are able to check the loss of capital only by raising the rate of interest to a point which means widespread commercial disaster, the United States, by simply raising the price of one commodity, easily prevents any loss of capital or rise in the rate of interest. It could protect itself in the same way against any monetary disturbance in the silver standard countries. Under this system foreign panics would be effectually shut out.\*

An increase in the American price of gold may mean either one of two things: (1) A rise in the rate of interest in the gold standard countries; or, (2) an increase in the general purchasing power of gold. The first of these may be due to a foreign monetary panic, the second to a resulting industrial depression. The former is of short duration, the latter may be of long continuance. But whether it be a sudden rise in the rate of interest or an increase in the general purchasing power of gold, the evil is one from which the United States would, under this scheme, be exempt.

\* The advantages of a non-exportable medium of exchange were pointed out by Henry C. Carey. See Vol. ii of his Miscellaneous Works under the headings of "Monetary Independence" and "Appreciation in the Price of Gold."

## IX. THE MULTIPLE STANDARD AND THE ECONOMIC PROBLEM OF DISTRIBUTION.

Let us suppose the existence of a society in which there is considerable division of labor but no money, no conception of wealth in the abstract. A producer, who, after procuring through barter such quantities of other things as he needed, still had a surplus of his commodity, would find it to his advantage to let someone have this excess, who should agree to return in exchange therefor at some future time a specified quantity of the same or some other commodity. Credit would constitute a supplementary demand. It would furnish the means through which the aggregate demand would be made to equal the aggregate supply.

The rate of exchange between present and future goods would be such as would enable those having the excess of present goods to find purchasers for them. A lower rate than this they would be unwilling to take and a higher rate they would be unable to get. There could be no undue expansion of credit under such conditions. Credit would merely provide a market for what would otherwise be an excess of product and only to the extent of this surplus could the volume of credit be expanded. It would permit inequality between supply and demand, so far as the individual is concerned, but at the same time it would preserve a balance between supply and demand in the aggregate.

It is only when money comes into general use and the abstract takes place of the concrete conception of wealth that an undue expansion of credit becomes possible. Fluctuations in the volume of credit are simply a part of the general fluctuations in industry caused by changes in the value of money.

As long as the concrete notion of wealth prevailed and credit was expressed in terms of commodities generally, the apparent rate of exchange between present and future goods was the actual rate. But when credit came to be expressed

in terms of a fluctuating monetary unit, the nominal rate of interest might be very low, while the real rate was very high or *vice versa*.

It is a fact of common observation that during the so-called good times, the period of rising prices usually preceding a panic, there is a high nominal rate of interest, while during the subsequent depression in industry, the period of falling prices, the nominal rate is low. The nominal rate, however, under the existing system is no indication of the real rate. The change in value which the monetary unit is undergoing must be taken into account. If general prices are rising, the rate of interest is really less than it appears to be, while if they are falling it is greater. If, then, we add to or subtract from the nominal rate of interest according as general prices are falling or rising, we find, especially if the change in the value of money is rapid, that the real rate is lower during the period of rising prices and higher during the period of falling prices, just the reverse of what appears to be the case.\*

This is what we should naturally expect. The very fact that the volume of credit is being abnormally expanded shows that some exceptional motive exists for resorting to credit. This is the high profits on the one hand and the low interest on the other. The fall in the value of money raises profits at the expense of interest, wages and rent. Of course it does not appear to the borrower that there has been a fall in the rate of interest, for the nominal rate has probably risen. The difference between the nominal and the real interest is presented to his eye under the guise of unusual profits.

With regard to the lender it may be said that he also fails to distinguish between the nominal and the actual rate of

\* See "Remedies for Fluctuations of General Prices," by Professor Alfred Marshall, *Contemporary Review*, March, 1887.

Also "Notes on Banking in Great Britain and Ireland, Sweden, Denmark and Hamburg," by Robert Harry Inglis Palgrave, *Journal of the Royal Statistical Society*, Vol. 36.



interest. He is unconscious of what he loses through the repayment of his loan in money of diminished purchasing power; and, as the excess of the present over the usual market or nominal rate of interest seems to him just so much clear gain, his willingness to loan increases with the rise in the nominal rate, even though the real rate at the same time falls. When there is an upward movement of general prices borrowers increase their demand for loans, and there is consequently a rise in the nominal rate of interest. But the competition of lenders usually prevents a rise in the nominal rate sufficient to compensate for the fall in the purchasing power of money, and the result is a decline in the real rate of interest.

A fall in general prices means a decrease in profits and, therefore, in the demand for loans. There is, however, no equivalent fall in the nominal rate of interest. Lenders make their calculations on the basis of the nominal, not the real rate of interest, and when the former declines, there is an increasing unwillingness to loan. It is in this way that a decline in general prices has the effect of raising the real rate of interest.

The rate of wages is affected by rising prices in the same way as that of interest. Nominal wages are raised, but real wages are lowered. The increased activity in industry, in so far as it merely absorbs labor previously unemployed, may not raise even the nominal wage. The supply of labor under the present industrial order is nearly always in excess of the demand and it is conceivable that the aggregate expenditure of labor might be considerably augmented without any increase in the price of labor. As the laborer does not distinguish between real and nominal wages, or in other words does not perceive the contemporaneous rise in general prices, an increase in the nominal wage seems to him a real gain. This at least partially accounts for the fact that wages rise less rapidly than the prices of commodities. A rapid depreciation of money always lowers real wages. A fall in prices,

on the other hand, is not accompanied by an equivalent fall in nominal wages.\*

This means that there is a rise in the rate of the laborer's remuneration. This may seem to give support to the claim of the monometallists that falling prices benefit the laboring class. The advantage thus gained, however, is merely apparent, not real. A rise in the rate of the real wage does not necessarily mean an improvement in the laborer's condition. The amount of wages as well as the rate must be taken into account. The laborer is not benefited by an increase in the rate of his wages, if at the same time his total earnings are diminished; yet this is what a fall in general prices always tends to bring about. Enforced idleness, irregular employment and a great falling off in the aggregate earnings of the laboring class are the inevitable result of a rapid decline in general prices.

What is true of interest and wages is also true of rent.

Fluctuations in general prices must be looked at from the point of view of the profit receiver to understand their influence upon production. As he is the borrower of capital, the employer of labor and the manager of industry, it is through him that a rise or a fall in general prices must bring about an increase or a decrease in industrial activity.

If nominal interest, wages and rent moved up or down with general prices, the real interest, wages and rent would remain the same and each class would get its normal proportion of the total product. But the inertia of nominal interest, wages and rent prevents them from rising or falling with general prices, and consequently every change in the value of money disturbs the normal relation between interest, wages, profits and rent. A rise in prices leaves nominal

\* In the United States during the period from 1860 to 1865 money wages rose in the ratio of 100 to 148.6 while general prices rose in the ratio of 100 to 232.2. From 1873 to 1879 prices in the United States declined in the ratio of 129 to 95, but money wages fell during the same period only in the ratio of 166.1 to 134.4. See Report of the Finance Committee of the Senate on Wholesale Prices, Wages and Transportation, 1893.

interest, wages and rent behind, and thus increases abnormally the share which goes to the entrepreneur. A fall in prices on the other hand fails to carry nominal interest, wages and rent down with it and, therefore, reduces real profits. A fall in the value of money not only has the effect of increasing the nominal income of those who direct industry but it augments their real income as well. To the industrial stimulus arising from a mere increase in nominal profits is added the much more effective one, a larger share of the aggregate product. On the contrary, a rise in the value of money diminishes both nominal and real profits. The relation existing between interest, wages, rent and profits is such that when prices are rising the income of the entrepreneur is increased at the expense of interest, wages and rent ; but when prices are falling real interest, wages and rent are raised at the expense of profits. The effect of rising prices is to give the entrepreneur a disproportionately large share in the total income of society, while the effect of falling prices is to make his share disproportionately small.

As invention, discovery and improvement in economic organization are constantly raising the average efficiency of labor, falling prices must be considered with reference to their effect upon a society in which cost of production is being diminished. Industrial progress brings great benefits, but it also imposes heavy burdens. It raises the average efficiency of labor, but at the same time it involves the destruction of wealth and the displacement of labor and capital.

Let us suppose a fall in general prices which is coincident with and just equal to the increase in the efficiency of labor. This is what should take place if the conception underlying gold monometallism is to be realized. What now would be the effect upon industry? An answer to this question must take account of the influence of falling prices on the one hand, and of improvement in production on the other.

In order to understand the influence of industrial progress upon the production and distribution of wealth, the distinction between interest and profits must be kept clearly in mind. The interest receiver or creditor and the profit receiver or entrepreneur own all industrial capital. Its management, however, is exclusively in the hands of the latter. The industrial property of the interest receiver exists in the form of a mortgage or fixed money claim upon the capital and product of economic society. All industrial property not in the nature of a bond or other right to a fixed money payment belongs to the entrepreneur.

Now, in the case assumed, how would the benefits of industrial progress be distributed, and upon whom would the burdens fall? The reduction in the value of existing capital through improvement in production would fall entirely upon the entrepreneur. He could not recoup himself for this loss, since according to the supposition general prices have declined in the same ratio as cost of production. This burden is one from which the interest receiver is practically exempt, as is evidenced by the nature of his claim upon industrial society. The principal and interest of the obligations held by the debtor constitute a first claim upon the capital and earnings of industry. Interest on bonds or other indebtedness must be paid before dividends or profits. The industrial property of the stockholder or individual entrepreneur stands between the interest receiver and the possibility of loss. The destruction of capital occasioned by economic progress is a burden which, to the extent of the entrepreneur's interest, falls upon him alone and cannot be shifted. Improvement in production destroys the industrial property of the entrepreneur on the one hand, while the appreciation of money enables the interest receiver to appropriate it on the other.

What could be expected under such a régime but industrial depression? The entrepreneur—the director and initiator of production—in the very nature of the case is

obliged to bear the loss of capital occasioned by industrial progress, and why should he be still further burdened through falling prices for the sake of conferring a special benefit upon the interest receiver, who is himself exempt from any special burden? There seems upon analysis to be no foundation whatever for the claim of the monometallists that justice to the interest receiver requires that general prices should fall as the efficiency of labor is increased. As between the two capital owning classes, equity would demand that if either is to receive a special benefit at the expense of the other in consequence of industrial progress, it should be the one upon whom progress imposes a special burden. Justice as between the two capital owning classes themselves as well as the interests of society at large demand that the entrepreneur, who assumes the initiative in production, should not be artificially burdened for the special benefit of the class who take no active part in industry. The effect of the whole system is to discourage production, and to make a bond a more desirable investment than an entrepreneur's interest in capital.

Wants may be classified as present and future, and corresponding to these two classes of wants are two classes of commodities: (*a*) means of subsistence or goods intended for immediate consumption, and (*b*) intermediate products, or those which have in view the satisfaction of future wants. The latter are transformed into buildings, machinery and other means of production. Consumption goods are the results of production in their final form. Capital, on the other hand, is unfinished means of subsistence. All labor which takes the form of an addition to the existing stock of capital sooner or later ripens into consumption goods. An increase in capital means an increase in the future supply of means of subsistence.

It follows that there is a certain proportion between the demand for intermediate and the demand for final products which, in a given state of industrial development, is the

normal one. Along with the growth of capital and the increase in the productive capacity of society must go a corresponding increase in the power of society to consume. Under the existing economic organization, it is through the distribution of the product between interest, wages, profits and rent that the due proportion between the demand for intermediate and the demand for final products must be secured. It is chiefly from profits that capital is augmented, while wages are mainly a demand for subsistence. Regular and uninterrupted production depends on normal distribution, but the indispensable condition of the latter is stability in general prices.

As long as money fluctuates in value there can be no such thing as normal demand. Every change in general prices alters the proportion in which the aggregate income of industrial society is divided between interest, wages, profits and rent. When prices are rising a disproportionately large part of the total income passes into the hands of the entrepreneur. This suggests an explanation of the familiar fact that during such a period there is a rapid accumulation of capital and a great extension of industry. The demand for all those things necessary to the extension of industry is greatly increased without a corresponding increase in the demand for final products. This is the necessary consequence of the change in distribution which the rise in general prices brings about. A relative decrease in the share of the wage receiving class, which is spent mainly for subsistence, and a relative increase in that of the profit receiving class, which largely takes the form of a demand for buildings, machinery, etc., must soon produce a condition of industry in which there is what may be described as a general over supply of goods. An abnormal increase in the share of the entrepreneur augments the productive capacity of industrial society at the expense of its power to consume. This disproportionate distribution leads inevitably to glutted markets and falling prices. Production is

checked, and the already insufficient demand of the wage receiving class is still further reduced.

These recurring periods of abnormal activity, followed by paralysis of industry, are not difficult to understand. The slightest upward movement of general prices increases the income of the entrepreneur. But this augments the demand for credit which, in turn, leads to a still further rise in prices. The effect is to increase disproportionately the demand for intermediate products. In the usual course of things the rise in general prices will continue until the abnormal gains of the entrepreneur begin to reach the final stage of consumption goods. It cannot continue beyond the expiration of the production period since at this point the disproportionate increase of intermediate products, which accompanies the upward movement of general prices, must begin to make itself felt in a corresponding increase in the supply of final products. It is this fact which sets a limit to the possible rise in general prices. The continuance of the demand for means of production depends upon the maintenance of an efficient demand for means of subsistence. But this in turn depends upon a normal distribution of the product between interest, wages, rent and profits. The fall in general prices must set in when the end of the production period is reached. But when the rise in general prices has been considerable the due proportion between the demand for intermediate and the demand for final products cannot be immediately restored. To effect the necessary increase in the subsistence demand would require a fall in general prices sufficient to eliminate or seriously reduce profits. But this would tend to curtail production and thus actually to diminish the subsistence demand.

There is under the present industrial order no such thing as continuous and uninterrupted accumulation of capital. Even our periods of apparent prosperity are not times of normal and healthy business activity. With the upward movement of general prices industry is largely speculative. Capital may be rapidly accumulated and production may, for the

time being, run ahead of consumption. But the disproportionate increase in the demand for intermediate products has the effect of eventually bringing upon the market a supply of consumption goods in excess of the effective demand. The period of falling prices now sets in, during which production falls below consumption. The already insufficient demand for final products is still further reduced as a consequence of the curtailment of production. The industrial capacity of society is more than adequate to meet the existing demand. The inability of society to utilize all the existing capital cuts off the motive for further accumulation. There is no incentive to keep up that part of the capital of society which cannot be employed in production. There is then actual destruction or consumption of the accumulated capital of society. The total consumption is really greater than the total production. It follows that society may emerge from the period of depression with less capital and less productive capacity than when it entered upon the downward trend of prices. This consumption of capital will continue until a point is reached at which the demand calls into use all the existing capital. Here supply and demand again balance and industry is once more in what may be called its normal state.

The belief is more or less prevalent that irregularities in production have their main cause in some defect in the medium of exchange. The nature of the defect, however, does not seem to be fully understood. Fiat money, free and unlimited coinage of silver and international bimetallism are all proposed as remedies. But these are at best nothing more than mere palliatives. They would all leave the root of the evil untouched. The aim which free coinage of silver and international bimetallism have in view is to protect society against a permanent appreciation of the circulating medium. But granting that the two metals could be combined in such manner as to secure a constant cost of production for the monetary unit, it would not follow that the circulating



medium based upon it would have a constant purchasing power. The value of gold and silver, while in the long run controlled by cost of production, depends at any given moment, as does the value of all other commodities, upon supply and demand. As the total quantity of gold and silver in existence is very large, while the yearly product is relatively very small, it is obvious that an increase or a decrease in the money demand for them may keep their value for considerable periods of time either very much above or very much below cost of production. The stability of general prices cannot be secured through free coinage of silver, international bimetallism or any similar measure. It might prevent a permanent money famine, but it would not ensure that elasticity in the money supply which is absolutely essential to normal production. The industrial depression, with its enormous waste of labor and capital, would still make its regular appearance. General prices would alternately rise and fall. Cost of production under the existing system is too indirect and remote a regulator of the purchasing power of money to be of any practical value. Some more direct and immediate means of controlling general prices must be provided, if regular and uninterrupted production is to be secured. General prices are in a state of continual fluctuation, and the problem is not how to prevent these fluctuations altogether, but how to confine them within such narrow limits that no disturbance to industry will result. Under the existing monetary system the upward movement of general prices tends to continue throughout the production period. Of course many other influences come in to modify the result. A collapse of credit, for instance, may arrest the rise in prices before the end of the production period is reached or some extraordinary demand may carry off what would otherwise have constituted an excess of commodities and so extend the rise in prices beyond this point. It is this want of direct control over the purchasing power of money which gives rise to the industrial cycle.

The socialists are right in maintaining that the industrial problem is one of distribution. They are wrong, however, in asserting that the competitive principle is essentially vicious and that the only remedy for abnormal distribution is the reorganization of economic society upon a non-competitive basis. Some industries, it is true, are not subject to competition and to these the socialistic principle of state control must be applied. There is, however, a very large field of competitive industry. But the medium of exchange is the instrument of competition and it is mainly because of imperfections in the monetary system that the competitive control of industry has thus far been a failure. The co-ordination of the various industrial forces is effected through the agency of prices and it is the failure of prices to show the actual situation that leads to irregularity in production.

The crucial test of normal distribution is the maintenance of an efficient demand. It must not be supposed, however, that the normal share of interest, wages or profits is a fixed proportion—the same for all stages of industrial development. In a progressive society distribution is undergoing continual change. With the accumulation of capital an efficient demand can be maintained only through a continuous rise in the rate of wage and a continuous fall in the rate of interest. The maintenance of a due proportion between the demand for subsistence and the demand for those things which constitute an addition to the existing means of production, operates to give wages a continually increasing proportion of the total product.

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AN EARLY ESSAY  
ON PROPORTIONAL REPRESENTATION.\*

On May 3, 1844, the American Philosophical Society of Philadelphia gave Thomas Gilpin, Esq., permission to read a printed paper entitled: "On the Representation of Minorities of Electors to Act with the Majority in Elected Assemblies." † The paper had been printed by the author at his own expense and dedicated to the society. The date at the end of the paper is May 1, 1844; in the dedication May 3, 1844.

Two copies of the pamphlet are in the Philadelphia Library; one is reported to be in the Harvard College Library, one in the Franklin Institute Library, in Philadelphia, and one in the Library of the Boston Athenæum. It is a small pamphlet of fifteen pages and was reprinted in the *Penn Monthly* in 1872.‡

This paper is remarkable as being one of the earliest systematic discussions of the plan now known as Minority, or Proportional Representation. The paper antedates Thomas Hare's earliest essays on the subject of Minority Representation by thirteen years; and that of James Garth Marshall by almost ten years.

The author wrote in a city, the members of whose legislative body, called Councils, were elected at the time on a general ticket by a majority of the votes. The results had

\* Read before the Political Science Association of the Central States, Indianapolis, January 1, 1896.

† Proceedings of the American Philosophical Society, Vol. iv, p. 81, Philadelphia, 1847.

‡ In answer to a request for information, published in the *Philadelphia Ledger* of December 4, 1895, as to where other copies might be found, Mr. James Monaghan, of the West Chester (Pa.) bar, replied that he had one copy in his private library. No other copies than those mentioned have come to the attention of the writer.

been unsatisfactory. It seemed to Gilpin that such a plan was based on two principles, one of which was sound, and the other unsound. It is right that the majority shall govern, but not right that the voice of the minority shall be unheard. He, therefore, undertook to examine the question whether a legislative assembly can be so elected as to represent the respective interests of the community *in deliberation* and to allow to the majority that control *in its decisions* to which it is entitled.

The political evils from which the city of Philadelphia suffered at that time seem to have been the same as at present—bossism and the subordination of local to national issues. The caucus comes in for severe criticism, and one of the arguments the author advances for his system is, that in his opinion, it would prevent “those hasty and unjust displacements from office which have taken place by granting to the successful party all the benefits of office, so offensive to the sentiments and feelings of a large and independent part of the community, desirous only of a steady, just and impartial administration of government.” From which it would seem as if the spoils system had already become firmly established in Philadelphia by 1840 or even earlier.

The system of election by a majority, as distinct from plurality, vote, the author thinks, was occasioning many evils—not the least among them that of giving to a small third party an entirely disproportionate influence when the two great parties were nearly equal in numbers. Thus he said the system of majority voting in Massachusetts had thrown an entirely undue power into the hands of the Abolitionists, who, by giving their support first to one party and then to another, could practically make their own terms, and was thus forcing both the other parties to become radical on the slavery issues, when otherwise neither of them would have been so. Nor did he think that the plan of plurality voting, just then adopted by Massachusetts, as a remedy for this evil, would help matters—on the contrary,

it would make them worse, since it might give to a party, absolutely in the minority, the power of controlling the public policy of the community, without consulting the other parties at all.

The plan proposed by the author was very simple. Each party was to put up its candidates as usual, a number equal to the whole number to be elected. The voting was to go on in the usual way, each voter having one vote for each of, say, twenty men—that was the number then in Councils. After the election each party was to have a number of representatives assigned to it, bearing the same ratio to twenty, as its vote bore to the total vote. The names standing first on the party list should be declared elected until the number assigned to the party should be exhausted. It is practically the Free List System which has been adopted of late in portions of Switzerland.

There is no indication in the proceedings of the American Philosophical Society that the paper was discussed in that body, either at the time, or later; nor is it very apparent from the history of the period what was the immediate occasion which gave rise to the paper. The subject of representative reform was indeed much debated at the time. The law of Congress requiring the States to be divided into single-member districts, had only just been passed, after great excitement in Congress, in answer to a demand for fairer representation and a chance for the minority. It is quite possible that more detailed researches will show that these ideas were advanced by earlier writers during the discussions incident to this Act of Congress. At present they seem, in this form at any rate, to have been original with Thomas Gilpin; even if they had been advanced before by writers and thinkers in Europe, which does not yet appear.

Hare does not mention having seen this pamphlet, though the expressions: *quota* and *representative quota* are here used much in the Hare sense. J. Francis Fisher, of Philadelphia,

in his "Degradation of our Representative System and its Reform,"\* claims to have worked out a plan similar to Hare's before the latter had published anything upon the subject. In such case he may have been indebted to Gilpin, or at least to the discussion which Gilpin started, for the fundamental thought; but if so, he forgot to give Gilpin credit for it. Fisher was also a member of the Philosophical Society and may have heard Gilpin's paper. He must have known of Kane's claim for Gilpin in the obituary notice of the latter, read before the society, February 17, 1854,† in which he said that Gilpin had proposed the first matured plan for minority representation, which had gained public attention among us. Indeed, Fisher could hardly have escaped seeing the pamphlet itself, as Gilpin doubtless sent copies to all his colleagues in the society.

Salem Dutcher, in his "Minority, or Proportional Representation," speaks of it as the first essay on the subject of Minority Representation in English, and states that only one copy was known to be in existence.

Thomas Gilpin, the author of the paper—which whether the first or not, is certainly an early and cogent argument for the principle of fair play for the minorities—was born in Philadelphia, in 1776, and died in the same city in 1853. He was a successful paper manufacturer, and has the credit of having introduced many improvements into that branch of industry in this country. He came of Quaker stock. His father, Thomas Gilpin, was banished from Philadelphia at the outbreak of the Revolution on account of supposed sympathy with England. He had felt in his life the bitterness of belonging to a minority which not only was unrepresented, but was not even allowed to speak on its own behalf. His son, whose thoughts may have been turned to the subject by the experience of his father, gathered together a

\* Philadelphia, 1863.

† Proceedings of American Philosophical Society, Vol. vi, p. 13, Philadelphia, 1859.

series of papers relating to the treatment of these Quakers and published them in 1848, under the title: "Exiles in Virginia with Observations on the Conduct of the Society of Friends during the Revolutionary War." \*

Father and son were members of the Philosophical Society, the former, one of the first members; the latter, elected in 1814.† Thomas Gilpin was a regular attendant at the meetings of the Philosophical Society, and dedicated other pamphlets than the one on Minority Representation to the Society, notably one entitled, "An Essay on Organic Remains as Connected with an Ancient Tropical Region of the Earth."

In his home at Kentmere he entertained many of the most prominent men of his time. James A. Bayard was a near neighbor. Henry D. Gilpin, Attorney-General of the United States, was a frequent visitor, and in such intercourse it was natural that he should develop his interest in scientific politics.‡

The history of this pamphlet on Proportional Representation, illustrates in a striking way how there is a time for everything, and how everything must wait for its time. Written at a period when there was a general demand for some kind of reform in our system of representation, it undertook to show how, by adopting a system of proportional representation, the general ticket and caucus system could be made to yield satisfactory results. It failed to accomplish its immediate purpose; and only now, after fifty years, is beginning to bear practical fruit. The caucus system and the single-member district system have not yielded the results hoped for. Whether any scheme of proportional or minority representation can do better, may be

\* Cf. Proceedings of American Philosophical Society, December 6, 1895, Vol. xxxiv. Philadelphia, 1896.

† Cf. Early Proceedings of the American Philosophical Society, April 15, 1814, p. 446.

‡ The writer is indebted to Mr. Wm. Bernard Gilpin, of Philadelphia, grand-nephew of the subject of this sketch, for these facts.

a question; but it begins to look as if some such method were destined to have a trial, and in such an event, Gilpin's plan has much to recommend it. The historical interest attaching to the paper has seemed to make it worth while to reprint it entire, and accordingly it appears below.

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*On the Representation of Minorities of Electors to Act with the Majority in Elected Assemblies. By Thomas Gilpin. Philadelphia: John C. Clark, Printer, 60 Dock Street, 1844.*

Owing to the difficulty of procuring impartial and useful legislation in the present mode of conducting the elections, it becomes worthy of consideration, whether there may not be a plan constituted for choosing representatives for the several legislative bodies differently from the present one, so as to have a more equal and just relation to the condition of society—to preserve more truly the rights of the people; to carry more strength and talent, and a more efficient expression of public opinion into deliberative assemblies.

The present mode of choosing representatives by a *majority of the votes of the electors*, has been so obviously before the people, and it is so easy for the majority to continue it, that it has been used in popular governments, from their early origin, and has remained without any attempt at improvement, or even consideration. It is true that it is based upon the just principle, of *the right of the majority to govern*; but in practical legislation it is connected with a very erroneous one, *that the voice of the majority alone is to be regarded*. Thus, in making an election of representatives as it is now done, in a district, by the majority, a large part of the people forming *barely the minority*, is deprived of any interest or voice in the elected councils, and there is no opportunity to bring into them any considerations, but those respected by the majority.



But if the deliberative assemblies were divested, as they ought to be, of the strong desire for political power, and exclusive legislative action, there would be a better estimate of the advantage of a representation to correspond to the general feeling and opinion of the people.

Let us therefore examine the question, Whether there can be a legislative assembly elected, so as to represent the respective interests of the community *in its deliberations*, and to allow the control of the majority *in its decisions* to which it is entitled.

For the purpose of testing the proposition, it will be necessary to advert to the operation of the present system in its forming some of the representative assemblies, in the example of one or two particularly known to us; but these are not referred to from any motive of adverse observation.

The usual results of the elections in the City of Philadelphia, for its Councils or Corporation, gave for several years, but a bare majority of the electoral votes to elect the whole representation, which was thus continued from year to year by one party, and the operations of the Councils and City interest governed exclusively by it.

By the returns, at the elections for several years previous to the last, a very uniform state of voting at the polls continued—say for the years 1840, 1841, 1842. In 1841, the number of votes polled was 10,304, and the votes were returned but of two parties, who gave respectively 5545 votes, and 4759 votes,—so that a change of 394 votes in that year, from one party to the other, would have displaced the whole representation of twenty members of the Corporation. And it is also obvious, that as the whole number was put in by *the majority*, there was no representation for the *minority*, which gave the votes of nearly one-half the citizens. These have no voice in the councils, be their candidates ever so worthy and efficient, and their interests ever so important. And it would be illiberal to conclude that abstract political sentiment should constitute a disqualification to attend to

their own and the public concerns in a legislative assembly. Independently of this, it is very evident, that the influence derived from the possession of power and office tends to preserve it; it is scarcely ever, if ever, voluntarily yielded to a just consideration of the equal rights of the community, in consulting the general good feeling requisite for constituting a legislative assembly. And it is evidence of an arbitrary, and not of a fair republican principle, for any party to retain the exclusive representation and responsibilities of the public weal; because experience has abundantly shown, that where this has been long continued, either in republics or monarchies, it involves them all in the same character, and is the virtual source of oppression and injury—the cause of great discontent,—and when not subversive of the administration, it is subversive of the harmony and confidence which ought to be afforded to it.

And it is *the right of every interest to be represented, as far as possible*. There are many advantages to be derived from the introduction of opposing ideas, if it is only to test the strength of correct or prevailing measures: for it is certain that a delegation to represent the most important interests may be taken from all parties, so as to balance the public mind, draw forth its energies, and substitute relative instead of arbitrary action, so much the result of assemblies holding long and exclusive legislation.

It is a matter of general acknowledgment, and even of record, that had the voice of the opposition, so frequently and respectfully offered but disregarded, in the administration of our late financial concerns, received attention from the persons then in power, the catastrophe so universally spread over the country, would have been greatly lessened, and probably averted; and as we should not be confident that other institutions are now free from a similar effect of exclusive action, a cautious oversight should be given to regulate them.

There is another evil growing out of the present system of electing representatives in this manner in opposition, without having respect to the minorities: in many places a third party is coming forward, which though the minor one, and without independent power, is nevertheless important to both; and being at hand to be solicited, can give its numbers and influence to either; holding a sway between them, it is able in return to commute for its own interests beyond their merit.

A management of the kind among the parties now in the State of New York, is producing this dilemma there, although for want of exact information, it cannot be further observed upon at present: but in the State of Massachusetts, it is exhibited more exactly,—it is there that a *third party*, now the advocate of abolition, holds the balance so as to vacillate between the two political parties. And in order to make this understood the case may be stated as it exists, at least in its proportionate numbers, to show in what way this effect is produced.

The larger party in one district may have a proportionate vote, say of . . . . . 10,000 electors, and yet be deficient in a majority.

The opposing political party may vote . . 8,000  
and the third party, *now for abolition*, . . . 5,000

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Making together an aggregate of . . . . 23,000

Now it is evident, that the measures of both the former, may be under the management, or even control, of the third party. In this manner partial legislation and ultra measures have been obtained by the urgency of the smaller body of the three, which would not have been permitted in an independent organization of the electors and representatives.

The Legislature of Massachusetts has sought to remedy this evil, by providing that a *plurality of votes* shall be regarded as that of a *majority*; but the event of this will be, that the

*plurality party*, though able to command a greater number of votes than either of the others, but less than both, will obtain the sway in the State, and subject both the other parties to it.

It will therefore be evident, that this proposed expedient will not redress the evil,—and how strangely will it operate! The plurality votes of 10,000 electors, will enable it in legislation to have control over 13,000; because the plurality ticket being united, will carry its majority over the divided tickets of the other voters—which of course is subversive of the principles of republican representation.

Has there not been good reason to believe that in this way, interests of high importance to society have been frequently compromised during the contentions of the large political parties, by alternate cessions to the various sub-interests in return for their votes and influence, to an extent and character detrimental to the future interests of society, and which neither party would have conscientiously acceded to, if invested with free and independent legislation?

The question then offered is, Does the case admit of a practical system for equal representation?

The following one is presented for it:—It is believed to be efficient, and justly applicable to the present state of society. It is founded upon the principle of Republican Government and equal representation, and capable of bringing forward the latent good sense of the people, now much withdrawn from public service, owing to the overrule of political contention and party management; and that it will cause the elected body to be an exact representation of the public interests.

Let the number of representatives, allotted to each district of a State, be divided into the number of electors, so that *a quota may be established, to allow a certain number of votes to choose a representative.*

The number of votes thus assigned, taken for all the delegates together, will of course be the number of votes

found in the district; for the quota for the election of each delegate may actually be determined upon, when the votes are all handed in, at the close of the election.

As every quota of votes may be united in by any interest, and will entitle it to a representative, so one or more quotas united, according to the number of voters, may choose one or more representatives for an interest, independently of the others.

Should even *general politics* continue to be a *paramount consideration*, as it has so long prevailed to be, and the number of voters be so large as to command a sufficient number of quotas, a majority in the elected body may continue to act even for *political purposes*; but other quotas will be obtained by the minority to have an opportunity to represent *their political* or other views, and different interests thus represented may advocate independently any important measures which require it.

In this way, the selection of candidates may be made up without excitement, and certainly without competition; because they may be sent very much from separated parties, having a union of interests, so that each may promote its own candidate; of course the equivalent considerations for introducing partisans into general tickets will be at an end, and with them all the small legislation of closet and club-meeting politicians, to make their nominations of representatives, bound to a general understanding to uphold party interests, and not at liberty to advocate measures independently beyond them.

This plan would be eminently conservative of general representation; it would produce steadiness of legislative action, would prevent the sudden dismissal of *all the representatives of a party from power at any one time* by the contrivance of officious politicians, who are able easily to turn the scale by misrepresentations when the parties are nearly equal; and even when this occurs by a sudden change of the public mind, the change cannot act disadvantageously on

legislation, because there will always remain a sufficient number of the electors unchanged to return many of the most suitable delegates of the previous party to be mingled with those newly elected.

This plan will prevent very much those hasty and unjust displacements from office which have taken place, by granting to the successful party "all the benefits of office," so offensive to the sentiments and feelings of a large and independent part of the community desirous only of a steady, just, and impartial administration of government.

By this means the Legislature would be filled by delegates for special objects, and renew its republican features by qualifications to take charge of the respective interests of the community, with a better consciousness of service and responsibility than that of being sent as *simple delegates* or *representatives* of a political party for the term of one year, more qualified to practice in *the art* than in *the science* of public economy and legislation.

Would not such an appropriation of suitable persons vastly improve our public assemblies?

Would it not introduce individual responsibility and intelligence, both into the several assemblages for the appointment of candidates, and by the selection of men adapted to their appointments?

Would it not induce respectable assemblages of persons now adverse to common political meetings, but who would be willing to attend when the *special interests of the country required it, for business purposes, and for objects* which demanded legislative aid and representation?

Would it not in a measure *reorganize the attention of the community*, break up the caucuses of political societies, to which the better part of the people are victims, and the victims of the aspirants to offices, who offer no choice to them but of party candidates elected to sustain themselves?

Might not the great interests of the country first be brought forward and understood, and then persons selected

to attend to them in their several departments, and these varied on occasions where particular objects required it?

Let us now review the course of some of the last elections for the City of Philadelphia, in relation to the adaptation of this system, and it will be found, that had the plan been then carried into effect, it would not have destroyed *the majority* of the present party, although, it is true, it would not have so far gratified it *as to allow it all the delegation*; yet the Councils would have been more just, and of course more safe in all their operations, if they had been guided by such a courtesy as to have united other interests with their own in conducting the public business. For thus the Councils represented little more than a *divided authority*, dependent upon an *uncertain majority*, chiefly supported, if not contrived, out of previous patronage and incumbency of office.

The votes given at the city election, 1841, were . . . 10,304  
and 20 representatives were elected.

If, then, 500 votes would be the assigned quota as  
the due proportion for a representative, the  
aggregate would be, for the 20, . . . . . 10,000

Dispensing with the residuary fraction of . . . . . 304  
the majority to elect gave 5545 votes, which,  
at 500 votes per delegate, gave . . . . . 11 rep.

The minority which failed to elect gave 4759 votes,  
which would have elected . . . . . 9 "

Making the whole number of . . . . . 20 rep.

and this would have left in favor of the ruling party a majority of two representatives, which is as great as the general electoral vote would have given on the former mode, or could be claimed for it on any public appeal.

As an act of justice, such an arrangement is required to satisfy the public mind, and it would amalgamate the better feelings of the community?

Should any excitement be produced by disquietude of the people, by accidental circumstances, or by retaliation, and a consequent change of City Councils ensue, so that the *opposite party alone* gets into power, the event will not be less to be deprecated than by having the present or any other *partial or exclusive administration*.

It is always unwise to afford exclusive power to any one party, particularly as it regards its own character and responsibility: the party out of power is accustomed to take advantage of every failure of the measures of those in power, and many operations are often in progress, the propriety of which, at least in public judgment, is decided by success, be their nature and risk what they may; but even this judgment may not be altogether so unreasonable when legislation is one of assumed and exclusive responsibility, because the acts of any public body are much better deliberated upon, and more judiciously determined, when there is not the uniform disposition to urge business forward by the sanguine view often taken by persons accustomed to act together.

The following view may be taken of the result of this plan for presenting the *minorities to act with the majority* in the public body, by showing its application to the last return of votes for corporators in the City Councils; and the rules are given by which this plan may be adapted to govern similar elections.

After the tickets have been agreed upon on the part of the electors as usual, and include the whole number of representatives to be voted for, they are to be handed in by them at the several wards to the judges and inspectors.

But the votes are to be assigned differently from the usual mode, and the choice of representatives will be made from them as follows:—

*First.* A number of votes to form a *representative quota* for the *choice of one member* will have to be fixed upon: this might be done by referring, for a standard, to the number of the votes given in the district at the last previous election;



but it may be better to wait for the close of the pending election, and then procure the number of votes polled at that time.

*Second.* This number is to be divided by that of the number of representatives allotted for the district, in order to fix upon the proportion of votes, as a *representative quota*, which each ticket must give to entitle it to choose a delegate.

*Third.* Each elector's ticket may contain, as candidates, the whole number of representatives to be voted for in the district; and these should be placed in preferences highest on the list, in order that those first set on it may be chosen according as the number of votes given may entitle the ticket to one or more of its candidates.

*Fourth.* The representatives are to be chosen by any electing interest whose votes amount to one or more representative quota, and it is to have one or more representatives accordingly. Those who are highest in vote, are to be first chosen; and when the votes are equal, then the preference is to be given to those who are highest named on its list of candidates.

*Fifth.* When the number of representatives is not made up by the votes in the representative quotas, then the remainder is to be taken from the residuary numbers of the unsatisfied votes, beginning with the highest number unsatisfied on each ticket, and then in succession, from which there is to be taken the candidate highest in vote on its ticket; or if the votes are equal, then the highest on the list.

*Sixth.* If only one representative is to be chosen from a district, the election is, *in this case only*, to be made as it is now done, *by the majority*.

In fixing primarily upon the representative quota, it is not desirable to arrive at any particular exactness in the division of the whole number of votes among the representatives; at least not to descend to the fractional parts of hundreds, because less than these could not be entitled to a representative. And when the multiple or whole number is determined

upon, it places all the representative quotas on the equal footing necessary for all useful purposes, and they will have all the same claim upon the residuary votes.

Under the above rules we refer to a general result of the election of 1841, which would have been as follows:—

In this statement the whole election returns are given; but the division of the minority vote is of course supposititious.

The votes of the majority were . .	5,545	
“ of the minority. . . .	4,759	
	<hr/>	10,304

Thus, twenty representatives allotted, establishes a representative quota of 500 votes to each delegate.

Majority interests represented.	Votes Polled.	Delegates elected assigned.	Residuary Votes.
1. Political party (W.), . .	5545	5545	11
Interests which might be represented :			45
2. Political party (L. F.), .	4759	1859	3
3. Temperance interest, . .		1200	2
4. Girard College, . . . .		600	1
5. Agriculture, . . . . .		700	1
6. Manufactures, Commerce, ]		400	0
			below 500
	<hr/>	<hr/>	<hr/>
	10,304	18	

The quota representation thus voted, does not yield the full number of delegates, and the two required are to be taken from the residuary numbers highest on the returned tickets, viz:

6. Manufactures and Commerce, . . . . .	400	1
2. Political, . . . . .	359	1
	<hr/>	<hr/>

Making the full number . . . . . 20

The representative is to be taken from the highest in vote or in place on the several tickets; thus the party which does not obtain a member on its quota, and ascends highest in the residuary vote, obtains one when the quotas are supplied.

The reference in the foregoing statement has been made to the state of the election returns of the three years previous to the last, because they were tolerably uniform, and the result of the middle year was taken. In the year 1843 the votes were materially changed, and suddenly gave a majority of 2448 for the highest political party; this majority may be either accidental or permanent, and it might have been produced on either side by some accidental or extra influence; but in this view it is not intended to discuss the merit of any particular politics, but only to allude to the cases, in order to guard against partial representation, and the injurious effect of sudden vacillations upon public affairs.

If the change is one of those, liable to be produced by an easy influence of the public mind, it ought to be guarded against by some change of system in taking the public votes; and if it is more permanent, it is still equally proper to arrange a method by which both sides should have a due representation of their opinions and measures.

It will be proper, further to carry out this rule, in order to show its application to the election returns of the votes and representatives of the City and County of Philadelphia in 1843, and the manner in which a quota representation would then have given a majority of the Assembly members and have represented the same political interest.

County votes of the majority, . . . . .	6,604
“ of the minority, . . . . .	3,890
Total, . . . . .	10,494

And as four representatives are allowed, the quota representation in this case to elect a representative will be 2500, leaving the residuary portion, 494.

	Votes polled.	Delegates.	Residuary votes.
1. Political party (W.), . .	6,604	2	1,604
2. Political party (L. F.), .	3,890	1	1,390
	<hr/>		
	10,494		

But as the quota representation  
yields only 3 delegates, one is  
to be taken from the highest  
residuary vote (W.), 1604, . . . . . 1

Making the full number, . . . . . 4

Which, in this case returns:—

Of the 1st political party (W.), . .	3	Representatives.
Of the 2d       “       “       (L. F.), .	1	“
	<hr/>	
	4	

Large political parties do not seem to be expedient for conducting the useful business of a country, as their purposes become conventional, and their action becomes merged in the support of place or power, which should be prevented when there is sufficient identity of public interest independent of such considerations.

How little ought general or national politics to influence the internal police arrangements of a State or city, its improvements or its finances? Yet is it not made a medium for general acceptance to every office, public services being a secondary consideration to subserviency in political measures?

The majority power has for a long time ruled all the interest of the country, and has been exercised with arbitrary inconsiderateness alternately by each party. It can be corrected in no way so effectually as by throwing immediately before the public the objects which should claim its attention, in order to produce an immediate connection between the people and their interests, and this can only be effected by a representation independent of politics.

By this plan, however, the rise of a political party to a certain extent is not altogether impossible, and might be permitted if useful ; but it being easy thus to introduce into the legislative bodies other interests by minorities, they will keep it in check by the independence of their election, as they probably will by their intelligence.

Should even the Native American party now coming forward be found worthy of public support, and get favor, so as to be useful for a time, its purity and efficiency will be much preserved by its not attaining to a predominant sway, or, at least, by only arriving at it relatively to other interests.

Reference has been made to the election returns of the City of Philadelphia, merely on account of its easy investigation, as it answers for an example of the deficiencies in representation; these, however, exist in the same manner in all the elected bodies and they will so remain and be unsatisfactory to the constituents, until the interests of the minorities become respected, so that they may be represented and act with the majorities ; and it is believed the plan now offered, when it becomes understood, may be adopted to remedy the deficiency and it is referred for that purpose to the discretion and intelligence of those who acknowledge the serious evils of party contentions arising out of the right of the elective franchise.

That the alteration, by this plan, in making election returns, would change the representations from various localities may be expected; but it is to be expected that it will be generally to great advantage, because it carries out a principle of exact representation and relief; and as delegates can be sent to represent every important interest, it must give evidence of its own propriety, and must eventually be acceptable.

The practice heretofore pursued, of resting all predilections upon the title of a great political party, has subjected the district divisions, as well as the political parties, to *very peculiar*, though they may be *appropriate epithets*, many of

them certainly not selected for their elegance, and which clearly indicate considerable restiveness on the part of the people.

The advocates of particular measures, or even of a favorite candidate, will have at all times an opportunity to unite for a quota representative, and by calling upon each elector to discriminate among the candidates, to place at the head of his ticket the best man, and thus bring forward an interest to be respected in the representative body; this will require deliberate reflection on the choice to be made among the various objects of moral or civil benefit, in order to give preference to those of the highest importance.

If this system be sound and practical, as it is believed to be, the further promotion of it is respectfully submitted. At no period of republican history was there required more attention to the renewal of representative principles and the revival of representative purity. In an enlightened age, the extension of a great confederation of popular governments is in irresistible progress over an immense land, now allied in the courtesy of great national feeling: it becomes, therefore, necessary to preserve this; and may it not be accomplished less by extreme authority, than by rendering a just representation to the varied interests of an extended people?

*Philadelphia, 1st May, 1844.*

## RUDOLF VON GNEIST.\*

Rudolf von Gneist was born in Berlin, August 13, 1816. His father, at that time *Justizcommissar* in the *Kammergericht*, was soon after transferred as *Landgerichtsrath* to Eisleben. There Gneist went to school, though in the meantime he spent several years with an uncle who was a country parson in Pomerania. In the fall of 1833 he went to Berlin to study law. After passing the first two state examinations in law and the doctor examination he became privatdocent at the University of Berlin, though he did not forsake the career of the law. In 1841 he was made assessor, and acted as assistant judge in the *Kammergericht* and *Obertribunal*.

His teaching was originally confined to Roman law, criminal law and procedure. He took an active part in all the political questions which agitated the time especially after the accession of Frederick William IV. Politics were even then of determining influence for his scientific efforts. One cannot do justice to the latter without considering his political life. His lectures on the publicity of judicial procedure and jury trials had not only a scientific, but an important political significance.

In 1844 he became Extraordinary Professor and in the following year published a work on formal contracts according to the Roman law of obligations, and a second upon jury trials. In the only field which then stood open for his political activity, the city council, of which he was a member, he familiarized himself with the practice of municipal self-government.

That he was defeated in the elections for the National Assembly, and for the second Chamber of the Diet which

\* The MS. for this paper was furnished to the Academy contemporaneously with its appearance in the *Archiv für öffentliches Recht*.

was soon dissolved, and that he was thus prevented for the time being from appearing in a wider political arena, could only be advantageous for his subsequent career. He participated in the movements of 1848 and 1849, only in the modest positions of City Councillor and militia man, though, in several critical moments, he had an opportunity for a discreet and effective intervention.

His political views at that time corresponded to the prevailing liberalism, which with its constant reference to English models had been imported into Germany from France and Belgium. Even at that time far removed from the extravagances of the radicals, he hoped for a constitutional national life in Prussia, such as had been realized in the west European nations, and in a diluted form in the smaller German States. The German liberalism of the forties and fifties, with its unhistorical and mechanical conceptions of law and state, with its individualistic constructions based alone on reason, could confront no greater contrast than the pseudo-historic and romantic tendencies of Frederick William IV., behind whose aristocratic forms lay concealed the interests of the large landlords, just as those of the urban bourgeoisie lay back of liberal principles. After the storms of the Revolution the so-called conservative party again obtained the supremacy, and it can be readily understood, that Gneist withdrew not only from his political, but also his judicial activities, and devoted himself exclusively to his more theoretical occupation. It is to these years of retirement that he owed the ripening of his political ideas, that the world owes his epoch-making works on English public law, and to which the modern German state is indebted for the logical development of its self-government and its administrative jurisprudence.

After Montesquieu in his celebrated Chapter 6, of the 11th book of the "Spirit of the Laws," described the ideal picture of the English constitution as it never existed, and never could exist, England became the ideal of political



liberty for the people of the Continent. In an unparalleled victory, the constitutional doctrine had conquered, as a political creed, the educated classes of the Romanic nations. If in the German States a powerful monarchy and the remains of an aristocratic feudal social order often weakened the models which German liberalism adopted from France and Belgium, yet even Germany could not escape entirely from the wonderful magnetism of the constitutional political doctrine. In the storms of the Revolution, had not the mighty creation of the Hohenzollerns succumbed to it—the state, whose king only a year before had sworn that the paper of a constitution should never force itself in between him and his people?

Hardly, however, had Continental Europe entered into possession of the constitutions so ardently longed for, when a disappointment showed itself that became greater the more logically the constitutional theory was carried out. Struggles for the possession of power, and a party régime for maintaining it became the whole of public life. The strictest constitutional government, which France had ever had, succumbed to a street fight, to make place for the most violent class struggles between the wealthy and the poor.

Of all this nothing was seen in England. The maladministration and the defeat of the July monarchy in France, the partisan management of the administration in Prussia after the transition to the constitutional system, led both in France and Prussia to the conviction that the cause of this phenomenon must lie not in the constitution, but in the administration. Again as in the time of Montesquieu the people of the Continent looked to the peculiar state organism on the other side of the Channel, in which alone as it seemed, political liberty could be realized. If it were the foundation of the English constitution, the English administration, which prevented the evils of the constitutional system, it must be the foundation of the Continental constitutions, the administration derived from the absolute

state, which called forth those evils. The adoption of English public law seemed incapable of giving satisfaction, only because it had been a partial one, because it had been limited to the constitutional law, and had ignored the administrative law.

This was not a German but a general European movement. In France, de Tocqueville demonstrated that centralization of the administration was the historical cancer of the state, even in the days of the *ancien régime*, and he called for decentralization after English models. Likewise in Italy after its unification there was a strong movement led by Alfieri and Boncompagni in favor of regionalism instead of the Romanic centralization as the basis of the administration. Even if their notion of the nature of English administration as mere decentralization, was not very profound, yet even this was opposed to the spirit of the Romanic peoples. The movement has had no conspicuous success to show in any Romanic nation. That the result was different in Germany came from the fact, that the social and historical prerequisites were indeed different from those in the Romanic nations. To have opened the way for a proper recognition of this, and thus to have prepared the reform of the German administration is the imperishable merit of Gneist.

It was not a scientific but a practical need that led the student of Roman law into the field of public law; the German to the study of the English law. The results, however, were works of fundamental scientific importance, by which he disseminated a proper appreciation of English public law, not only on the Continent, but as the congratulatory addresses of the English universities on the fiftieth anniversary of his doctorate gratefully testify, in England as well.

He first utilized the results of his investigations in his lectures. In the year 1853 appeared a small work on "*Adel und Ritterschaft in England*" (Nobility and Baronage in

England). It was followed by his principal work, "*Darstellung des heutigen englischen Verfassungs- und Verwaltungsrechtes*" (Exposition of Modern English Constitutional and Administrative Law), of which the first part appeared in 1857, the second in 1860. Separated later into three independent works, "*Die englische Verfassungsgeschichte*," (English Constitutional History), "*Das englische Verwaltungsrecht der Gegenwart*" (English Administrative Law of To-day) and "*Selbstverwaltung Kommunalverfassung und Verwaltungsgerichte in England*" (Self-government, Municipal Organization and Administration Courts in England), the book went through three editions.

The political and scientific influence of the work was tremendous. While previously both the liberal party with its demand for the greatest possible extension of the administrative rights of the elected communal legislatures, and the conservative party, with its desire for the maintenance of the manorial power, had alike called England to witness, they now saw before them, the English political system in its most concrete form. It was not the realization of one or another party doctrine in the legislation relating to administration, not the upholding of a party régime in the administration, which constituted the essence of the English administration, but the gratuitous service of the propertied classes in official positions and the non-partisan execution of the public law in the administrative courts. Involuntarily the appeals of both parties to English experience were silenced by this prosaic truth. None the less to carry out the principles of self-administration which were here seen in the most concrete shape, continued to be an end to be desired also for Germany in the confusion of the transition to a new legal order.

After Gneist at the beginning of the new era had been appointed, in 1858, Ordinary Professor at the University of Berlin, and had entered the House of Deputies, there appeared to open up before him a wide field for scientific

and political activity. The constitutional struggle which soon broke out unfortunately crippled Prussian legislation for half a decade. With his profound scientific insight into the necessary conditions of national existence, Gneist was far removed from the idea of the absolute rights of the popular representative body as regards the budget, which the radicals asserted. Later he opposed these views on several occasions in special monographs, such as "*Budget und Gesetz*," 1867 (Budget and Law), and "*Gesetz und Budget*" (1879). His position among the opponents of the government resulted from his scientific contention that the organization of the army, established after the Wars of Liberation, was based upon law, and hence could be changed only through a law. This is not the place to repeat the demonstration which I have elsewhere attempted, that this opinion was erroneous. In any case the attitude of Gneist to the question of the reorganization of the army, which at times assumed a character of unusual personal acrimony was based upon the honest conviction, that the preservation of the continuity of law was the supreme duty of the state.

Only after the great wars, when Prussia undertook the reorganization of its partially patrimonial and aristocratic, though essentially bureaucratic administration, could the results of Gneist's scientific investigations obtain practical concrete embodiment. He was untiring in rendering more generally accessible in shorter works the political conclusions of his great work. He deemed it the duty of the publicist, by constant repetition, to make his views the common and permanent property of the educated classes. It is to this effort that we owe the works on "*Verwaltung, Justiz, Rechtsweg, Staatsverwaltung und Selbstverwaltung nach englischen und deutschen Verhältnissen*" 1869, (Administration, Justice, Procedure, National Administration and Self-administration in English and German Conditions).

Nor could a more favorable time for the realization of Gneist's ideals have been found than the seventies. He was indeed the right man for the right time. The royal power derived from its successes a halo, and a moral strength, such as can rarely and then only temporarily be attained. As self-administration consists not in the privileges of special classes of society, but in their service for the state, this monarchy, as no other, was in a position to reject any attempt of society to rule the state, and to impose upon society the service of the state. The sharp contrast between the landed aristocracy who had hitherto lorded over the eastern part of the state in a patrimonial manner, and the capitalistic liberalism of the cities and the western provinces, precluded any understanding among the different parties and social classes as to any distinct method of ruling the state. A point of union could be found only in personal services for the state, in connection with an independent execution of the public law through a formal administrative jurisprudence.

The Prussian legislation on administration naturally took the course which in theory Gneist had demanded. There could be no question of a mechanical imitation of English institutions, the problem was to transplant the principles of self-administration and administrative jurisprudence that had developed in England, to German soil upon the basis of the conditions there given by historical growth. If it were not granted to Gneist to carry out the reform of the Prussian administration in the post of honor, as he had perhaps hoped, yet his political influence as a deputy was of most profound importance for its concrete embodiment. His appointment in 1876, as a member of the newly established *Oberverwaltungsgericht* (Supreme Administration Court) gave him an opportunity to participate in the execution and elaboration of this new branch of public law which to the last months of his life he always regarded as his most important duty. The high water

mark of Gneist's activity was reached in the seventies. As a politician he was no longer so high in popular favor as during the era of conflict, yet he had achieved the high political and scientific distinction of having transplanted into Germany self-administration and administrative jurisprudence, while in their mother country both disintegrated more and more and fell gradually into decay. This distinction cannot be lessened by the contemporaneous errors of the *Culturkampf*. It will remain a permanent credit to political science and the modern German state.

Beside this varied scientific and political activity, Gneist devoted a special interest to the German *Juristentag* (legal convention founded in 1860). In the lack of a common legislature, its meetings offered the only means for the discussion of legislative problems of general interest. With few exceptions he presided regularly after 1868, and until his last years conducted the assembly in a brilliant manner. He repeatedly submitted opinions to the *Juristentag*, thus in 1863 on the question whether a judge has to pass on whether a law has been constitutionally enacted, and later upon *jury trials*.

He maintained his interest for the *Juristentag* even after the latter had accomplished its mission and had become comparatively significant. Even at his last Whitsuntide outing, his chief thought was the spring meeting of the permanent commission.

Honors were plentifully heaped upon him in the last fifteen years of his life. When as he had frequently desired, the Prussian *Staatsrath* (Council of State) was assembled again in 1883 his appointment as a member was a matter of course. The numerous fiftieth anniversaries, which, beginning in 1886, it was his privilege to celebrate, particularly that of his doctorate on November 20, 1888, brought him from far and near testimonials of the most general recognition and veneration. At the fiftieth anniversary of his

official service he was appointed, *Wirkl. Geh. Ober-Justiz-rath* and on January 27, 1895, *Wirkl. Geh. Rath* with the title Excellency. To the brief reign of Frederick III. he owed his transfer to the nobility.

Up to the last years of his life he maintained a full and many sided activity. At the desire of his family he abandoned his seat in the Reichstag and later in the Landtag, but he remained faithful to the University and the *Oberverwaltungsgericht*. He accompanied the burning political questions of the school law and the military law of 1892, with occasional writings, and we are indebted to the last two years of his life for the excellent monographs on the national legal concept of estates, the Prussian three-class system and the constitutional position of the Prussian ministry. To him life was labor and effort until the last moment. When early on the twenty-second of July, 1895, death called him away from his richly rewarded labors, there was left in the scientific life of Germany a gap, which was the more keenly felt as he was active to the end.

On the fiftieth anniversary of his doctorate Gneist himself declared that he had begun his scientific career as a faithful follower of the historical school. All his scientific works are built up on thorough historical investigations. In all his lectures he gave extensive historical introductions, and in public law these constituted indeed more than half the course. Yet his scientific equipment and endowment was by no means an historical one. The historic conception pervading all scientific thought which sees in all existing things the result of past and the basis of future development, the product at once of free human action and internal necessity, was in its essence foreign to him. At school he relates he had a peculiar liking for mathematics, and his talents turned chiefly to abstract reasoning. Like his great contemporary L. v. Stein, who showed these tendencies in an even more marked degree, he never entirely emancipated himself from the early influence of the philosophy of Hegel,

though he would hardly admit this to be the case. His lectures on penal law were in particular strongly influenced by Hegel.

This abstract tendency soon encountered contrary influences, and was thus preserved from a one-sided development. Gneist united himself with the then flourishing historical school and its influence was indeed strong enough to estrange him forever from the supposedly purely abstract constructions of law and state, of the philosophy of enlightenment and of modern radicalism. But its influence could not swerve him into the pseudo-historical paths of Christian German romanticism. In spite of his tolerance of opinions different from his own, he always had an intense dislike for Stahl. On the other hand he did not oppose a truly historical political doctrine to the false historical position of this small but powerful party, or to the entirely unhistorical doctrines of the dominant liberalism and radicalism. The general principles which he derived from English public law formed an essentially different system, that can be briefly characterized as social political doctrine.

The tendencies of Gneist in political science were influenced by the fact that he came into this field from his interest in politics, from a lively interest in the fate of his people at a time of great political transformations. It is simply impossible therefore to appreciate his scientific position without touching the political side of his activity. Each of his works on political science had not only a political tendency, but a direct political purpose. In this lies the strength and the weakness of his writings. They all breathe the political life which surrounded the author. Hardly any political relations and effects remained unconsidered, though every institution was considered in its organic connection with things. Yet one should not forget that the grouping had to serve political purposes. Writing as a politician the constructions and deductions of legal dogmatism are held in the background. The fixation of ideas left much to



be desired in rigidity. The great scientific standard bearer of self-administration did not give even a legal but only a political definition of it. For the modern constructive method which banishing all political considerations would treat public law according to the same purely logical principles as private law, Gneist, a politician, who saw the state in its lively organic connection, had no sympathy whatever. And yet he once allowed himself to be led into the same paths when he attempted to demonstrate from the provisions of the *Landrecht* the illegality of the confessional schools in Prussia. Had he followed his usual historical political method, he would have been led inevitably to the opposite conclusion by the consideration of subsidiary legal sources and the administrative practice.

His entire political doctrine, derived from the English public law, appears to be conceived from the point of view of internal policy. Especially in the foreign relations of states, direct conscious human action, the free workings of personality come to the foreground. Involuntarily the conviction here forces itself upon us that mankind makes history, while the greatest German historian goes further in saying that external history always controls the internal. His opinion is evidently one-sided, in that it takes no account of internal necessity, but it results in pragmatic history as a natural consequence of the one-sided consideration of external politics. Internal policy on the contrary chiefly includes the struggles of the government with the different social interests and of the latter among themselves. If, however, social life consists in the relations of mankind to external nature, then certain definite and permanent rules can be deduced for it just as well as for nature itself. Internal policy appears chiefly as the field of inherent necessity of development according to definite laws. This conception dominates Gneist's entire political system.

Shortly before the appearance of Gneist's great work, L. v. Stein had emphatically pointed out the significance of the

social factor for all historical development, in his "*Geschichte der sozialen Bewegung in Frankreich*" 1850 (History of the Social Movement in France), which soon established a world-wide reputation for the youthful author. He had demonstrated that the entire history of France from the great Revolution to the fall of the July monarchy had been distinctly social and had developed according to certain laws. Gneist transferred this idea to his exposition of the English administration, and furthermore deduced from it general principles of the state and society. In both is seen the inclination toward purely logical abstractions from general ideas, which they had inherited from the philosophy of Hegel.

The struggle of social interests dominates, therefore, the internal development of the states. As the social powers endeavor to subject to themselves the public powers, so conversely the state as the source of distributive justice must endeavor to break down any one-sided social rule, and yoke all social interests in its service. In this development definite rules will govern that can be deduced from the facts and scientifically formulated. But social development and hence state and society are not as materialism supposes based upon absolute necessity. The shaping of events is in part the free work of man. With a knowledge of the rules of social development events may be so shaped, that a definite result can be maintained according to these rules. Thus within the realm of social necessity the factor of human freedom of action comes into play. Law in general and public law in particular is therefore the expression of social power and is incomprehensible without a knowledge of the social factors on which it is based. But it is the result of free human action. Thus the conception of state and law, in spite of the one-sided social point of departure to which the perspective of internal politics had led him, approaches the historical concept and departs very far from that of modern materialism.

Only by thus accepting the possibility of free human action in the operation of the general laws of state and society, could Gneist think of utilizing the results of his investigations of English public law for the German state. His investigations were not merely to spread information in regard to the political conditions of one of the most important civilized nations of the world—in this connection England would demand our attention scarcely more than perhaps Italy or the United States. English law furnished him the most suitable means from which to deduce general propositions valid for modern Europe, concerning the relation of state and society, the duties of the state in face of one-sided class interests and the means of filling these duties. According to these propositions the long tried English methods of self-administration and administrative jurisprudence were to be transferred to Germany and established on the basis of existing conditions.

The definite political ideal which presented itself to him was to permeate all relations of public life with the consciousness of duty toward the state. It sounds perhaps absurd, but there is a certain truth in the statement, that the best informed student of English public law shares in the error of his great predecessor Montesquieu, in thinking that this ideal which he had formed for himself was actually realized in England. England was and is quite different from his notion of it. As the older Parliamentary system of England forms an analogy to the Continental estates, so the older self-government of England, which to Gneist is a model, formed merely the companion piece to the patrimonial administration of the Continent. The self-government of Gneist which is based on duty to the state and is permeated with the consciousness of this duty was first realized in Germany. The entire idea is purely German, specifically Prussian, and not at all English.

Self-government in this sense needs definite bearers. Gneist contemplated as such the propertied classes in city

and country in the widest extent. By the habitual conduct of public duties in municipal and national posts of honor, a governing class like the English gentry was gradually to be formed. The essential purpose of the self-administration was educational, the spirit was the same as that in which formerly the municipal ordinance of Stein had been issued. The self-administration, granted to the individual a participation in the administration not as a personal right but as a personal duty, that he should thus become accustomed to subordinate his demands on the state to the general interest. The realization of self-administration was accordingly nothing other than the reconciliation of state and society by the complete devotion of the latter to the service of the state.

However ideally the relation of state and society was here conceived, the German state of the present, more fortunate than Prussia in the great reform era of Stein and Hardenberg, carried out the principles of self-administration almost to their extreme logical consequences. Yet we must not be thereby deluded into thinking that the reconciliation of state and society has been effected. Two factors oppose it.

Self-administration demands capable bearers, and can therefore be supported only by the propertied classes. Thus the lower orders of society are excluded from the self-administration. But at the present it is they who make the social demands heard with emphasis before unknown. Gneist was as helpless in the face of this problem, as were the men of the reform era of Stein before the needed economic and financial reforms that were realized by Hardenberg. Gneist was essentially a bourgeois politician, not in the narrow spirit of the class interest of the French bourgeoisie, but in the spirit of the English and German middle classes always conscious of their social duties. He always had a warm heart for the welfare of the laboring classes, and showed it on every occasion. But a society which he placed in the service of the state naturally would cease with the propertied

classes. Though he recommends the employment of the lesser citizens in subordinate local offices, this is evidently not a solution of the social question. A further extension of self-administration could only afford an even greater opportunity than is already offered, for socialistic agitators to attain posts of authority.

Self-administration cannot in fact attain what is demanded of it. That it works more inefficiently than the professional officialism and thus is in danger of falling into the hands of the clerks is a matter of course. Its educational value ought not to be overestimated. Self-administration can moderate one-sided social claims, but the complete devotion of society to the state is opposed to the life principle of the former, is opposed to the egoistic nature of mankind. The pillar of the English self-administration, the justice of the peace, receives from Macaulay the very dubious praise that his justice is better than none at all. The German self-administration in part under the supervision of professional officials, and permeated by a profound sense of duty is doubtless much better than the English ever was. But it cannot impede the formation of purely social parties. It is among the bearers of the self-administration that we find the purely social organization of the *Bund der Landwirthe* (Agriculturists' Alliance). In face of the manifold social interests and social demands, the notion of self-administration is clearly inadequate.

Thus Gneist, who recognized only purely political parties as having any reason for existence, could not understand the new party formations in Germany and even allowed himself to participate in public declarations against them. He had recently treated the matter elaborately in his book on the national legal idea of estates.

Though self-administration has not attained those ideal aims which existed in the mind of Gneist, it is after all the essence of an ideal that it finds the limits of its practicability in the imperfection of all earthly things. No one would

venture to deny that self-administration and administrative jurisprudence are of the highest importance for the development of the modern state. To have clearly recognized and demonstrated the nature of both institutions is the imperishable achievement of Gneist as a teacher of public law. Not less is his importance as a politician. To thrash over the errors of the era of conflict and the *Culturkampf* may be left to those who feel themselves above the possibility of human error. The building up of the German administration in the manner he demanded is a permanent political achievement for the modern German state, even though England was not his model to the extent which he imagined.

More fortunate than his great predecessor Montesquieu he was able to see the realization of his ideals, though he was forced to admit also their partial inadequacy. And in the heaven of political science his star will blaze near Montesquieu's, the great Frenchman near the memorable German, both filled with the most lofty political ideals, both great in what they achieved of this ideal for the modern state, even when this ideal was wrong.

The picture of Gneist's activity would be incomplete, if we did not at this point devote a few words to the purely human side of his nature. Such description must necessarily be sketchy and inadequate. The ideals of a person often characterize him best. As his political ideal was permeated by the consciousness of duty so also was his personality. He could live only in the fulfillment of his duty even to the last minute. He held it moreover to be, above everything else, his duty to support decisively principles of which he was convinced. Yet on the other hand no one was freer from overestimation of himself, or belief in his personal infallibility. The strictest critic of his own views in scientific and political life he was constantly weighing and testing them, and had no hesitation in discarding them when he found them at fault. He never longed for the fame of those politicians who in all change of

the time, follow unmoved the same program for a generation. From this self-criticism arose his great tolerance for contrary views, even though they were personally opposed to him and though he had no sympathy with them. He declared that in this or that point people would always come to different conclusions. Differences of opinion never interfered with cordial personal relations.

We can only indicate here that it was granted him to have the happiest family life imaginable, a life so happy that it was proverbial among his intimates. The parting is, for this reason, so much the sadder. At the death of the greatest teacher of public law that Germany has had in the last century, we think not only of his work but of his personality. Though removed from our sight he will long be held in loving remembrance.

CONRAD BORNHAK.

*University of Berlin.*

## INDIVIDUAL DETERMINISM AND SOCIAL SCIENCE.

### I.

Meyer and Darwin do not deserve the admiration or devotion solely of the followers of a certain class of studies, *i. e.*, physics, mechanics or biology;\* these men have revealed to us mysteries that change completely the content of human knowledge. They are two discoverers who complete and supplement each other. It could not be otherwise; Darwin must have profited much from the discoveries of Robert Meyer, from the studies of Hermann von Helmholtz, by the strong positivist influence given to research in the realm of physico-chemical science, and by the ever increasing importance accruing to the problems of mathematical mechanics. In this way only it became possible to solve a mass of problems whose elucidation did much to clear the way for the conception of physiological life as a pure mechanism. Further, the minds of scholars had already become accustomed to hear of *forces* which act and react and then are *transformed* while still remaining identical in their real nature. In fact, Comte himself, powerfully influenced by physico-chemical science, attempted as early as 1842 to extend it to social science.† Thus it would have been impossible to have conceived of Darwinism (I am not speaking of evolution) without the progress already made in physico-chemical science in the first half of this century. As a result of this movement the law of the conservation of

\* Cf. H. von Helmholtz, "*Ueber die Erhaltung der Kraft*," 1847; R. Meyer, "*Bemerkungen über die Kräfte der unbelebten Natur*," 1842; "*Die organische Bewegung in ihrem Zusammenhang mit dem Stoffwechsel*," 1845.

† Cf. E. de Roberty, "*A. Comte et H. Spencer*," Paris, 1894; E. Faguet, "*A. Comte, ses idées générales et sa méthode*," in the *Revue des deux mondes*, July 15, 1895; G. de Greef, "*Le transformisme sociale*," Paris, 1895, p. 366; Heinrich Waentig, "*Auguste Comte und seine Bedeutung für die Entwicklung der Socialwissenschaften*," Leipzig, 1894.



energy held the first place; and possibly, as many think,\* it remained second to none after the publication of the volume on the Origin of Species. This opinion may be accepted even by those who do not hold that the origin of species was not explained in Darwin's volume on "The Origin of Species." Darwin showed the method of applying this energy. Hence I very willingly accept the opinion of Hckel, who defines the supposed theory of descent as "the *mechanical explanation* of the *phenomena of organic forms*."† Meyer demonstrated the persistency of organic energy. Darwin explained the method of the action of this energy: "Thus everything depends upon *matter* and *motion*, and we are led back to the true philosophy of nature inaugurated by Galileo, namely, that in nature all is matter and motion, or simply a modification of the same, by the simple transformation of parts or quality of motion. . . . This supposition is, however, false, if it is understood that in the living animal there is a force of vitality, a source of force, independent of ordinary molecular action, and that there is in it a chemical composition differing from that in organic bodies."‡

Helmholtz had already succeeded in measuring the velocity with which nervous impulses traverse the motor nerves and had found the velocity to be thirty metres a second. The results obtained by Rutherford, and which he has recently communicated to the British Association for the Advancement of Science, contradict in some degree this measurement. Rutherford observed that the reaction-time is not the same for sight as for hearing and touch. He was able to establish by experiments upon eight intelligent men, whose age varied from nineteen to sixty-two years, that

\* Cf. A. Mosso, "*La Fatica*," Milan, 1891, p. 67.

† E. Hckel, "*Schpfungsgeschichte*," Jena, ed. 1891. This affirmation of Hckel is a contradiction of many others, claiming that Darwin discovered the origin of man. The passage cited corrects this hazardous affirmation.

‡ G. Secchi, "*L' Unit delle Forze fisiche*," Milan, 1879, Vol. ii, p. 377; See A. Mosso, *Op. cit.* pp. 71-72; E. Morselli, "*Carlo Darwin ed il Darwinismo*," Milan, 1892.

the reaction-time for sight is from 16 to 22 hundredths of a second, while for touch and hearing, it is from .14 to .19. The shortest reaction-time was found when the response was given by the hand on the same side as the ear or the part of the body touched. However this may be, the principle from which Helmholtz set out remains true. In 1847, Helmholtz, ignorant of the works of Meyer, Colding and Joule on the relations existing between mechanical and psychical work, published an important document on the conservation of energy (*Ueber die Erhaltung der Kraft*), which he completed later after learning of the results obtained by Joule. In this work Helmholtz presented the relations existing between mechanical and psychical phenomena, and confirmed the truth of Meyer's theory of the conservation of energy.

To-day, through the experiments of Mosso, "the thermometer shows a transformation of energy in the brain which results in the production of heat."\* But Mosso was not unduly enthusiastic over his experiments, and with scientific calm writes: "In order to discredit the hypothesis that the psychical and motor activity of the brain is in intimate relation with the thermal processes, it is sufficient to have observed in the preceding chapter that a decided increase of cerebral temperature is produced *without apparent* modification of psychical or motor activity of the brain, and that vice-versa during periods of great activity of the brain, its temperature does not vary to any sensible degree." I do not know, however, how far Professor Sergi is right in claiming that Mosso does not draw the proper conclusion from his observations. The observation of Sergi is worthy of consideration. It is easy to understand how psychical energy manifested by thoughts, by psychical activity, cannot be manifested by an increase of heat. If we have in the brain 100 units of psychical energy, and use

\* Cf. A. Mosso, "*La Temperatura del Cervello*," Milan, 1895, p. 89; "*La Temperatura du Cerveau*," Turin, 1894.

80 in thought, it is clear that only 20 remain for the increase of heat. Hence that which at first sight would seem to be a contradiction is, in reality, an additional proof of the conservation and of the transformation of psychical energy. While this is a very pleasing suggestion, it cannot be denied that it is based upon a very vague hypothesis. Besides being vague, it is contradicted by Mosso's own experiments. On page 197 of his recent work, he writes: "The non-dependence of the cerebral temperature on the temperature of the blood is made evident in the given experiment, where, the convulsions having ceased, the cerebral temperature presents a new increase of which there is scarcely the slightest trace in the arterial blood and muscle curves. Here we have a proof that these waves of cerebral temperature do not depend on the variations of the blood-vessels, because in this case the medulla oblongata had been subjected to a lesion."

Hence the demonstration made by physicists, that a definite quantity of heat can be transformed into a given quantity of work, and this quantity of work again transformed into the same amount of heat, etc., if applied to biological phenomena of man, is entirely premature and illusory when extended to psychical phenomena. When, therefore, Morselli writes: "Psychology has been able to show that the determinism of psychical phenomena is precisely of the same nature as that of biological phenomena,"\* he makes a statement which may be true, but which cannot as yet be accepted as proven. The fact that physical well-being results in optimism, and that this leads to benevolence, to sympathy, to hope, to altruism, is not sufficient proof of this affirmation—while misery and deprivation result in physical despondency and exhaustion, give rise to the lowest instincts, weakening the inhibitory powers of the brain, and produce pessimism, egoism, indifference, apathy.

\*E. Morselli, "*L'Eredità materiale, intellettuale e morale, del Secolo XIX*," Genoa, 1895, p. 14.

This might furnish a reason for the fact that acts of daring, of altruism, of heroism, belong to early manhood while egoism is characteristic of children and the aged.

The possible transformation of physical phenomena into mental phenomena, or vice-versa is far from being proven. The transformation of physical phenomena into mental phenomena, Spencer considered more probable than the transformation of mental phenomena into physical phenomena.\* Roberty observes a curious contradiction, namely, while A (physical phenomenon) corresponds to, or is equal to B (mental phenomenon), B is not equal to A.† It would be most arbitrary to admit at the present time the identity of the two classes of phenomena. The manifestations of individual human conduct are too vague to infer from them that psychological laws are identical with those of biology. Physiology weighs and measures, while the beginnings of psychology are largely to be made.

I would simply say that we are to-day ignorant of these so-called psychological laws that some persons affirm.

## II.

Our brain is certainly composed of matter, but the properties and composition of this matter elude us almost entirely. Nevertheless, it is affirmed that each individual has his own physical and psychical individuality (temperament and character) which is determined by physico-psychical heredity.‡ The affinities which psychology includes are most varied; the factors of the psychical are psychological, nervous, and hence also physico-chemical. The *Ego* is the complex result of chemical, physiological and psychological reactions. From this point of view the observation of Wundt is true that "nothing is more natural than to think of consciousness as a kind of stage upon which

\* H. Spencer, "*Principes de psychologie*," Paris, pp. 160-62.

† E. de Roberty, "*La recherche de l'unité*," Paris, 1893, p. 199.

‡ C. Richet, "*L'hérédité psychologique*," 3d ed., Paris, 1887.

our ideas are the actors, appearing, withdrawing behind the scenes, and coming on again when their cue is given."\* Consciousness is cognizant of the results of work done in the hidden laboratory situated within it; such work can be called also *unconscious* if by this general term it is intended to designate the mechanico-physico-chemical work of the nervous substance, and also of that external condition of organic-psychical work.†

We have numerous more or less probable theories of sensation and perception, which depend merely upon hypotheses. The sensory nerves which produce pleasure or pain upon being excited, nearly all have their terminations in the skin.‡ The brain as well as the internal organs in general are non-sensitive, and it is this fact which renders us incapable of judging of our internal sensations. There is no doubt that all psychical activity is determined by the molecular movement of the cerebral substance, and especially of the gray cortex; but that an idea as such, or a sentiment, or an act of volition as such, are in themselves true and proper motions, we cannot believe until the scientific truth be affirmed with certainty.§ However this may be, the mind of each individual necessarily receives sensations continually, and many of these remain impressed upon it. How this takes place we do not know.||

In the mind of every individual consciousness develops. This is the result brought about in his brain, from his past, from his experience, from the environment in which he has lived. Thus, if Ferdinando Gregorovius had not

\*Wundt, "*Psychologie physiologique*," Paris, Vol. i, p. 536.

† G. Marchesini, "*Saggio sulla naturale Unita del pensiero*," Florence, 1895, p. 30.  
 "Mais dans le cerveau se trouvent en outre réunis les centres nerveux spécifiques, dont chacun correspond à une partie déterminée de cellules, de tissus, et d'organes intérieurs et périphériques du corps. Indirectement la conscience et la volonté sont donc un produit non seulement du cerveau, mais de la totalité des cellules, dont est constitué l'organisme dans son ensemble." P. de Lilienfeld, "*La pathologie sociale*," in the *Revue internationale de sociologie*, 1895.

‡ A. Mosso, "*La Fatica*," p. 266; Nitti, "*Il Lavoro*," Turin, 1895.

§ G. Marchesini, *Op. cit.*, p. 16.

|| C. Richet, *Op. cit.*

been born in the mediæval castle of Heidelberg, and lived there for many years, if his imagination had not been awakened by the great Polish revolution of 1830, in which he witnessed so many bloody struggles, certainly, as he himself recognizes, he would not have written the history of Rome.\* In Darwin's life it can easily be seen how enormous was the influence of these factors upon his intellectual development.† Richard Wagner writes: "The remarkably keen feeling of sadness which usually overpowered me while directing our ordinary operas was often interrupted by an inexpressible and unusual happiness when I attained at times from the representation of noble works, a most intimate knowledge of the absolutely incomparable effect of musical and dramatic combination, at the very moment of the representation, an effect so intimately felt, of such depth, and at the same time of such ardor, as no other art can produce."‡ Thus he tells us through what phases of depression, of vivid impressions, of warm enthusiasm, his musical nature came little by little to be formed.

Now a new fact or phenomenon, which is presented to the brain of an individual, is as if it were reflected upon this *substratum* of consciousness already acquired. Every individual explains, understands, and sees new phenomena colored by those already seen. In other words, each of us sees the future and the present subject to his own concepts formed in the past. Ferri exaggerates when he writes that "in spite of the apparent influence of ideas and opinions upon individual activity, the truth is, on the contrary, that man works as he feels, and not as he thinks."§ The mental development of a given individual during his life may be represented by a line: A——c——d—f——B.

\* F. Gregorovius, "*Diari Romani*," Milan, 1895, p. xiii-xv.

† Francis Darwin. "Life and Letters of C. Darwin," London, ed., 1895.

‡ R. Wagner. "*Musica dell'avvenire*," Milan, 1892, p. 21.

§ E. Ferri, "*La sociologie criminale*," Turin, 1893, p. 374; Ad. Wagner, "*Statistisch-anthropologische Untersuchung der Gesetzmässigkeit in den scheinbar willkürlichen Handlungen*," Leipsic, 1864.

Thus it is easy to perceive that according to the various degrees *c*, *d*, *f*, etc., of the mental development which is formed subject to surrounding influences, this individual judges of phenomena and affairs in a different manner. According to the development of his own personality, in this conception, "notre moi," as M. Barrés says, "c'est la manière dont notre organisme réagit aux excitations."\* Our mind is formed by a stratification in such a way as to make, as it were, a true photographic plate. New impressions, therefore, depend upon those preceding. It has been said, that as each planet has its own autonomy, and is united with the system of the universe, so free-will is determined by the general purpose and by the general laws of life.† But the feeling of purpose is not determined by the structure and hence by the needs of the individual. With Calderon we ask ourselves: What is free-will when it is determined? Those who deny free-will place individual determinism outside of the individual himself. They do not leave any part to the individual. Thus it is said: "Among the forces of whose action, whether beneficent or harmful, we are yet conscious, without being able to define, analyze, or avoid them, are electricity and magnetism. Not one of us in the normal condition of health, and atmospheric surroundings, is conscious of the magnetic and electric currents which pass through us, much less those which are developed in the organism. Yet no one will doubt the influence which the electricity of the atmosphere, as well as that of the organism, exercises upon the physical body."‡ I do not deny the influence of these factors, but their action is concentrated in the individual. The human mind determines individual action in a given manner precisely because

\* M. Barrés, "*Examen de trois idéologues*," Paris, 1892.

† L. Luzzatti, "*Saggio sulle dottrine dei precursori religiosi e filosofi dell'odierno fatalismo statistico*," in *Riforma Sociale*, anno II, vol. iii. The proof of my affirmation can be found in the little work by G. Fischer, "*Die Freiheit des menschlichen Willens und die Naturgesetze*," Leipzig, 1871, who also denies free-will, and in the volume by Fousengrive, entitled "*Le libre arbitre*"

‡ D. Metzger, "*Essai de spiritisme scientifique*," Paris, 1895.

in its formation it has undergone the action of these factors.

In recent times the influence of external causes, such as the salubrity of the locality in which laborers work, has been much exaggerated, and on the contrary, the importance of the power of resistance of the organism of the laborer has been too little considered. But the reports of inspectors of factories constantly note that where the work is prolonged too long and results in fatigue, the salubrity of the locality is insufficient to preserve the laborer from the consequences of fatigue and exhaustion.\* From this cause we find that among the rich and poor, not only does the mortality differ, but the mortality itself depends upon different influences, so it may be said that there is a real pathology different from each class in society. A large proportion of the diseases of the laboring classes depends upon nothing else than an excess of work, work exhausting and painful, predisposing them to all diseases. In other words, the physical organism is slowly formed through external influences, and is then reacted upon subsequently in various ways, according to the structure which has been formed. This is true also for the individual mental development. Though individual actions are, scientifically, inexplicable phenomena individual determinism cannot be doubted. It would be denying the law of the conservation and transformation of energy common to all matter. Individual determinism, however, instead of being due to external mechanical action, as is commonly supposed, is due to the mechanical formation of the human mind, and to the successive phenomena of action and reaction, which are always mechanically developed in it. Therefore for those who deny free-will, individual personality disappears; this personality is, in their eyes, entirely passive, a pure and simple result of cosmico-social surroundings. Now this is not true. If the individual is submitted to all these influences, when he

\* Nitti, *Op. cit.*, p. 184.



acts, he acts almost entirely on the basis of the personality which these conditions have developed in him. The determinism of a human being is not as it were external to the individual, as the so-called positivists have affirmed, but it dwells in the individual himself—is within him.

Others, ignorant of the structure and formation of the human mind, and discouraged by the great difficulty of searching into the causes which govern individual actions, have pretended to solve this difficulty by means of the so-called free-will theory. When, however, it was possible to establish the fact that marriages, births and deaths take place with a greater regularity than cyclones on the ocean or the number of centimetres of water which the rain-gauge indicates in a given region for the different seasons, there was then the utmost necessity for modifying preconceived notions of human nature as something entirely unique and above everything else in creation. Thus arose numerous eclectic free-will schools. Free-will, according to the prevailing opinion, was reserved for the single individual, and it was recognized that it did not exist in the mass of the population. (Quetelet, Dufar, Rümelin, Wappaüs, Messedaglia, Mayr, Bodio, Oettingen, Gabaglio, etc., etc.)

The same story repeats itself; we had not yet come to understand the forces which form individual character, and we said human conduct was free, just as before the conduct of the people, of the masses had been said to be free, while the laws of conduct were unrecognized. If individual determinism cannot be demonstrated, much less can free-will be demonstrated. If individual consciousness is free, how does it happen that the regularity of its action is repeated in all social manifestations? Were this conformity merely ascertained from time to time, it might then be said to be purely accidental; but this is not the case. All social phenomena rest upon an essentially individual basis. The social phenomenon does not exist without this individuality. Individuals seek to satisfy their own desires, considering of

little account the relations which their acts will have upon social phenomena.\*

Körosi, in a recent communication to the Hungarian Academy of Sciences, gave the results of his researches in regard to the fecundity of man according to various ages. If the husband be 39 and the wife 20, the birth-rate is represented by 31 per cent; if the wife be 30, by 20 per cent. When the husband is 40 and the wife 35, the birth-rate is represented by 27 per cent; with a wife of 40 years, by 17 per cent, and with a wife of 65, by  $2\frac{1}{2}$  per cent. Now it is well-known that there are very few men who choose a wife of 65 years or even of 40 years. In consequence the birth-rate is high. But if the majority of girls are married between the ages of 20 and 30, this depends upon their individual will.

If  $x$  commits suicide, he concerns himself very little with the fact that similar decisions have already been made by other individuals, or that his death is necessary in order to make up the average of suicides in a given year. Rather do the conditions of environment develop certain tendencies in individuals, and later, when these individuals come to contend with the difficulties of life, some find themselves unequal to carrying on this struggle, and commit suicide, exactly as others become insane. Perhaps we should call the act of mental aberration voluntary?

In the United States, in 1850, in a population of 23,191,876, there were 15,610 insane persons; in 1880, in a population more than doubled, 50,155,703, the number of insane was 91,997, or three times as many in proportion. In Italy the number of insane persons, which in 1876 was 51 for every 100,000 inhabitants, in 1883 was 67.75. In France, for 100,000 inhabitants there were 131 insane persons in 1883; 133.8 in 1884; 138.5 in 1885. In Germany there were 82.7 in 1883; 84.2 in 1884; 88.5 in 1885. Thus

\* A. Small and G. Vincent, "An Introduction to the Study of Society," Chicago, 1894.

the conclusion that the advancement of civilization causes the number of insane persons to increase.\* The fact should be recognized that the increasing feverish activity of our society develops general progressive paralysis, epilepsy, etc., hence the individuals affected by mental weaknesses due to social agencies are not in a condition to resist, and become insane when they are submitted to certain other social circumstances. If the conditions of a given social atmosphere should remain always constant, we should see the number of suicides and also the number of insane persons exactly constant. But social activity from time to time undergoes many variations, owing to changing influences. The greater part of individual characteristics have developed with tendencies due to the conditions of environment; thus when other agencies are brought into action, the social life is entirely and completely changed.

The warlike origin of the Albanians, the insufficient resources of their land, and the rich valleys in their neighborhood, explain their habit of brigandage. In 1832 the Greeks and the Albanians succeeded in their war of independence, and Otho II., the second son of the King of Bavaria, ascended their throne. But did the brigandage of the Albanians terminate in 1832 on this account? The conditions of their surroundings had confirmed this habit in their character, and it will require time before the new social environment succeeds in suppressing it.†

Individual character is a result of the conditions of social and natural environment, and of hereditary phenomena, and yet under new conditions of environment it reacts in an entirely mechanical manner. It is impossible for a mass of population entirely "determined" in its action, to result from many individuals relatively free, as the theories of individual free-will affirm.

\* *Revue des Revues*, 1895.

† E. Reclus, "*Europe méridionale*," Paris, p. 185; E. Demolins, "*Les types sociaux du bassin de la Méditerranée*," Paris, 1895.

## III.

Lange writes in regard to the Germans: "Thus the utilitarian tendency presents in Germany an idealistic character. Industry never makes a prodigious forward stride as in England; one does not see cities suddenly rise from the ground, nor riches accumulate in the hands of the entrepreneurs."\* This is an observation of social psychology. It is not meant by it that *every* German corresponds to this description which he applies to the population as a whole. He means that the conditions of environment and hereditary phenomena are such as to imprint this character upon the majority of the Germans.

Psychology in its present condition describes mental phenomena external to the individual, while social psychology describes the phenomena of individual minds taken in their entirety, in their mass. Statistics give in figures, with mathematical precision for all social phenomena, that which social psychology describes in general terms. Thus what we have said in regard to social psychology applies also to statistics. Statistical laws relate to masses. They present to us social phenomena due to individual acts, because these acts are the result of conditions of environment already fixed in a similar way for each individual. If this uniformity of environment, in which the mass of mankind lives, did not exist, how could there be the average type of individual from which all others are easily differentiated?

Statistics tell us that in Italy more thefts are committed proportionately than in Russia. In other words, the feeling of respect for the property of others is less deeply rooted in Italy than in Russia. Thus when economic difficulties increase equally in Italy and in Russia, Italian criminality will increase more than Russian. The conditions of natural and social environment have developed in the minds of individuals of the two countries a different moral sentiment.

\*Lange, "*Geschichte des materialisme*," 1875.

Accordingly, in new conditions of environment the individual acts according to the personality which has been formed in him. There has been in existence in London, for several years, a committee to determine by an examination of the physical characteristics of the children of each school, those children who are weakly constituted, or mentally defective, or abnormal, and unable to contend in school or later in life with persons of average normal endowment.\* In the schools inspected, the number of these defective children is almost constant every year. Given the climatic, hygienic, physiological, and economic conditions, which exercise an influence in an almost constant degree in determining the single individuals of various generations of this population, and these abnormal children are as sure a result as are the normal children.

We can divide the influences of environment into two classes, time and locality. A region which presents the same atmospheric and meteorological conditions, etc., etc., has a population with certain demographic characteristics. This identity of conditions of environment tends to have the same effect upon the majority of individuals when considered singly. It forms individuals in a definite way, and the mass of these individuals present the same characteristics, and perform similar acts. According to official statistics the population in the following countries is divided between country and city according to these figures:

	Urban Population.	Rural Population.
Switzerland, . . . . .	16	84
Belgium, . . . . .	34.5	65.5
Russia, . . . . .	9.2	90.8
Greece, . . . . .	15	85
Denmark, . . . . .	17.6	82.4
Sweden, . . . . .	9.2	90.8
Norway, . . . . .	13	87
Holland, . . . . .	38	62
England, . . . . .	48	52
France, . . . . .	24	76

\* "*Annales de l'Institut International de Sociologie*," 1895, Vol. i.

The countries which present a proportionately small rural population are England, Holland and Belgium. This fact is easily explained when the development of industrial manufactories in these countries is taken into consideration. If no new industrial process should be discovered, if the wages of workmen and agriculturists should remain in exactly the same state as in 1893, if the agricultural production should continue the same as in this year, if, in a word, the equilibrium of 1893 should not be disturbed, then the demographic distribution of the population in city and country would be maintained in the same proportion. It is a result of the environing locality. But all these conditions tend to change. The agricultural production varies according to the meteorological conditions. In the south of Russia it is necessary to wait five or six years before having a good harvest of grain. There is a deficiency of rainfall, and only after several years of drought is there one of abundant rain. It follows from this that the peasants prefer the more steady wages in an industrial manufactory to the uncertainty of the harvests.

At Marseilles the coal which comes from England through the Strait of Gibraltar, after being carried 3000 km. is sold at a lower price than the coal which comes from the mines of Grand' Comte, 177 km. distant. This fact is due to the perfection of the English system of mining the coal, to the quality of the mines, and still more to the low rates for transportation. In time this will result in closing of the mines of Grand' Comte, or the employment of new mining machinery, or something else. If the mines of Grand' Comte should be closed, the population which is employed there would commence cultivating the land, or enter industrial establishments. Thus an exodus of the population would take place. The mortality, the birth-rate, the number of marriages, of insane, of criminals, etc., depend upon whether people live in the country or in the city. The conditions of environment are modified through the changes

which arise in the social surroundings, due to the labor of man, or to natural conditions.

From 1821 to 1881, three times as many Italians as English have migrated to the United States.\* The Italian emigrants preserve many national characteristics, a very frugal method of life, a high rate of crime, etc. But their children are less Italian, and in a less degree still are those of the third generation. Thus in spite of this great Italian emigration the mode of life in the United States, especially in the northeastern section, is essentially Anglo-Saxon. Though this assimilation does not take place suddenly, no one can deny the formation of a new character, due to the influences of the new surroundings. Between the environment and the individual, or society as a whole, there is an intimate *rapprochement*. Statistical investigation is based upon the equal influence which the conditions of environment exert upon the individuals who make up the population. There cannot be homogeneity in statistical principles unless they are derived from the same natural and social conditions.

The grouping of individuals in society, however, has no other *raison d'être* than that of overcoming the difficulties of the primitive environment and then of exercising natural energies in the best manner possible for the benefit of these single individuals. Human society is organized according to the nature of the individuals and the natural environment in which it exists. All the relations established between individuals depend upon these two factors. These, in their turn, are subject to the influences which are formed in them by social relations. Thus there takes place a continual transformation of natural environment, of individuals, of social relations, which in a general and comprehensive way is called social transformation, or evolution.

Rome.

G. FIAMINGO.

\* Report of Commissioner of Immigration, Washington, 1892. M. Dubois "*Sistèmes coloniaux et peuples colonisateurs*." Paris, 1895.

## BRIEFER COMMUNICATIONS.

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### NEW ACADEMIC DEGREES AT PARIS.

Recent changes and proposals for reorganization in the French universities are of interest to American students who may be contemplating foreign study. The proposed changes are more general in character and shall be treated first, while changes in the study of political and social science in the Law Faculties which have been already effected will receive consideration at the close of this communication.

Some months ago, Professor Harry Furber, Jr., of Chicago, presented a concise memorial to the French Ministry of Public Instruction, which set forth that while the opportunities for study offered by the great schools of France and especially of Paris were in every sense excellent, the great majority of Americans who study abroad go to Germany rather than to France. To what can this strange avoidance of France be attributed? It is because Americans have had no real opportunity to test the merits of French scholarship. Innumerable obstacles stand in the way of their access to French schools, while the constant surveillance of compulsory examinations at frequent intervals, is troublesome in the extreme. The American who studies abroad is as a rule a specialist, a graduate of some home institution. Germany puts him upon practically the same footing with natives, giving him the degree of Doctor after the successful completion of his studies, and this is enough to turn the tide in Germany's favor. For the degree is a tangible mark of achievements and a valuable aid in the search for a position at home.

At any German university an American is admitted on the basis of a certificate from any college of recognized standing in the United States. He may then map out his own curriculum. As Professor Furber justly remarks, "the two functions of the university, that of providing facilities for education, and that of certifying to intellectual attainment by the granting of diplomas, are kept rigidly distinct. The student is free from examination except when he chooses to apply for a degree." The tendency, indeed, seems to be toward increasing laxity in the requirements for admission for foreigners and toward more strenuousness in the final examinations.

France, on the contrary, insists upon formalities which are highly embarrassing to the American who desires to study there. He has a



peculiar purpose and position to which the system affords no means of adaptation. The frequent compulsory examinations and rigid courses which serve the purposes of French professional training rarely accord with his pursuit of special study, nor can he always secure an adequate recognition of his previous training.

If France is desirous of drawing foreign students to her schools, the observations of Professor Furber are quite pertinent. They have led in fact to the formation of a *Comité Franco-Américain*, composed of some thirty leading French scientists, with the purpose of securing action in the matter. From the outset this committee seemed inclined to accede to all reasonable requests made by the Paris-American University Committee, consisting of resident Americans. The result of the joint deliberations of these committees has in some respects been exceedingly encouraging.

It has been proposed to create a new degree, whose exact designation is not yet settled—which would be particularly suited to the needs of American specialists. The degree would be conferred upon the student who had successfully pursued a sufficient number of cognate studies, without necessarily having confined himself to a single faculty or a single school. It would thus be possible, for instance, to receive the new degree upon the successful completion of courses and examinations in public law, philosophy of law, and political economy in the Law Faculty, and in modern philosophy and modern history in the Faculty of Letters.

The present limits of the various faculties and schools at Paris are the result of historical accident, on the one hand, and the necessities of professional schools, on the other. Thus the Law Faculty is practically a training school for young men who intend to enter the public legal service. Hence every candidate for a degree in law follows the prescribed curriculum, with little or no liberty in the choice of his subjects.

The *Comité* seems inclined to favor the recognition of work done in American colleges of acknowledged rank. It has proposed to consider the degree of Bachelor from such institutions the equivalent of the French *Bachelier*. There seems to be some misunderstanding here since this degree has a totally different significance, though the same name, in the two countries. The *Bachelier* is the first of the French degrees in time as well as rank, given in the first part of the student's college career, and followed later by *Licencié* and *Docteur*. The French "*Bachelier*" cannot be considered equal to our average "Bachelor."

The French naturally seek some guarantee that the advantages they propose to offer may be conceded only to such Americans as are

sufficiently advanced in their studies to profit by them. Such a guarantee it would be difficult to give while our universities are independent of one another both in purposes and methods; and while universities vary not only in general rank, but often exhibit unequal standing in the several schools or faculties of a single institution.

The decision of the problem involved in the choice of those American colleges which should be recognized, and the determination of the *extent* to which work at institutions thus favored might be taken into consideration by the French authorities as equivalent to work here were matters which had to be referred to competent American authorities. An American-Paris University Committee was therefore formed, with Professor Simon Newcomb, of Washington, at its head, and including a number of our most prominent university authorities. Attempts, too, are to be made to establish a number of scholarships for study in France—open to competition by students of colleges, recognized by the committee, at whose disposal they may be placed.

It is not impossible and might perhaps be advantageous if the work and opinions of this American Committee should acquire sufficient influence to induce our educational institutions to adapt their arrangements to whatever requirements the committee might see fit to make. Before we can successfully claim that respect on the part of foreign science, to which the past and present achievements of some of our colleges seem already entitled, there will have to be more uniformity and more certainty in our higher academic world.

If France is disposed to throw open the doors of her higher schools to Americans, and to make ability the sole criterion for academic honors and degrees conferred,—as seems to be the case,—we should insist upon an adequate recognition of studies successfully pursued in America by the student, and upon admission to all degrees in so far as they do confer no civil or professional privileges. While we might desire their degree of Doctor of Law, for instance, we are not entitled to ask the privilege of entering their public legal service, or of practicing law in France,—a right which now attaches to the law degree. The difficulty here involved might be obviated,—as I have been told has already been done in the case of some foreigners,—by conferring the degree *without* any such rights. It would then be reduced to what the foreigner generally seeks, a mark of scientific ability conferred by French scientists.

The proposed new degree will admit of new combinations of studies. There can be no doubt that this is a step forward. The limits of faculties are, as has been pointed out, historical accidents, or the result of the needs of strictly professional schools. The political and social sciences,—to cite perhaps the most important instance,—have

quite recently assumed such importance, and survived such alterations in their fundamental conceptions, that it has become impossible to confine them within the limits of existing "faculties" or "schools." In some places in Europe we find these subjects included in the law faculty; in others, they form part of the department of philosophy; in still others, a new faculty or a new school has been founded, like the Faculty of Political Sciences at Tübingen.

Changes affecting the status of the political sciences have already been made which are of considerable importance. They are grouped with the legal studies which, in my judgment, is preferable to associating them with the philosophical faculty. The status of these studies is now fixed by the *Décret* of April 30, 1895, which has gone into effect with the beginning of the term just commencing. Henceforth, as the *Décret* prescribes, the diplomas for "*Docteur en Droit*" will bear mention either of the "*sciences juridiques*," or of the "*sciences politiques et économiques*," according to the choice of the student in the arrangement of his studies. There are thus two more or less distinct courses of study, and two different systems of examination now open to the student in the law faculty. He may confine himself chiefly to the private legal disciplines, or to political science and economics. Moreover, the number of the examinations for the degree of Doctor of Laws has been reduced, and the order in which they are taken has become optional in the cases where political and economic sciences are chosen. The requirements now include two oral examinations instead of three, and the defence of a single thesis prepared by the candidate, instead of two.

The subjects required in examination of those students who seek their Doctor of Laws for work in political and economic sciences, are as follows :

For the first examination :

1. History of French Public Law.  
Principles of Public Law.  
Comparative Constitutional Law.
2. Administrative Law, or  
Public International Law, according to the choice of the candidate.

For the second examination :

1. Political Economy and the History of Economic Doctrines.
2. French Financial Legislation and the Science of Finance.
3. At the option of the candidate :  
Industrial Legislation and Economy, or  
Rural Legislation and Economy, or  
Colonial Legislation and Economy.

The thesis must appertain to one of the subjects mentioned.

The above enumeration may convey a partial, but by no means adequate, idea of the seriousness with which political sciences are now studied in French universities. Some years ago, instruction in political and social science at Paris was neither very advanced nor very extensive,—outside, perhaps, of the *École Libre des Sciences Politiques*, founded in 1877. In the last few years, however, these sciences have occupied an increasingly large part in the instruction offered in the *Collège de France*, and also in the Faculty of Law of the University of Paris.

The objection, which but a few years ago might have been made with a certain degree of justice, that Paris offers the student next to nothing in the way of advanced work in economic or political sciences can now no longer be brought forward.

C. W. A. VÉDRITZ.

*Paris.*

## PERSONAL NOTES.

### AUSTRIA.

**Vienna.**—Dr. Eugen Peter Schwiedland has recently become Privatdozent at the University of Vienna, in Economics and Finance. He was born October 23, 1863, at Budapesth, where he received his early education in the Gymnasium. There he attended the University in 1881–1882, though in the latter part of the year 1882 he went to the University of Vienna, where he remained until 1885. In October, 1887, he received the degree of *Doctor juris* from the University of Vienna, and entered at once in the judicial career. In the fall of 1889 he entered the public administration, and occupied a post in the Department of Labor Insurance in the Ministry of the Interior. Dr. Schwiedland became in 1890 the successor of Professor V. Mataja, in the Chamber of Commerce and Industry of Lower Austria. He is one of the editors of the *Revue d'économie politique*, now in its tenth year. Besides many articles which Dr. Schwiedland has contributed to the weekly and daily press he has written :

“*Das Verhältniss der Gross und Kleinhandelspreise.*” Conrad’s Jahrbücher, 1889.

“*Étude sur les rapports entre les prix en gros et en détail.*” Revue d’économie politique, 1890.

“*Die Arbeitseinstellungen in Amerika; ein Beitrag zur Naturgeschichte der Strikes.*” Conrad’s Jahrbücher, 1889.

“*Die Einführung obligatorischer Arbeiterausschüsse, etc., in Oesterreich.*” Schmoller’s Jahrbuch, 1891.

“*L’organisation de la grande industrie en Autriche.*” Revue d’économie politique, 1891.

“*Die Wiener Perlmutter Industrie und ihre Krisis.*” Pp. 21. Vienna, 1891.

“*Les formes de l’industrie.*” Revue d’économie politique, 1892.

“*H. Pigeonneau, nécrologie.*” Ibid., 1892.

“*Essai sur la fabrique collective.*” Ibid., 1893.

“*Les industries de l’alimentation à Paris.*” Ibid., 1895.

“*Die Entstehung der Hausindustrie mit Rücksicht auf Oesterreich.*” Zeitschrift für Volkswirtschaft, Sozialpolitik und Verwaltung, 1892.

“*Eine alte Wiener Hausindustrie.*” Ibid., 1892.

“*Ein Gesetz zur Beschränkung der freien Concurrrenz im Handel.*” Ibid. 1893.

“*Aufhebung des Sitzgesellenwesens durch die Arbeiter.*” Ibid., 1894.

"*Kleingewerbe und Hausindustrie in Oesterreich; Beiträge zur Kenntniss ihrer Entwicklung und ihrer Existenzbedingungen.*" Vol. I, pp. 237; Vol. II, pp. 450. Leipzig, 1890.

## GERMANY.

**Berlin.**—Dr. Richard Böckh was appointed Ordinary Honorary Professor of Statistics at the University of Berlin, October 20, 1895. He was born the 28th of March, 1824, at Berlin, where he attended the Friedrichs Underische Gymnasium, and 1842-45 the legal faculty of the University, with the single interruption of a summer semester 1844, which he spent at Heidelberg. He entered the government service as *Kammergerichts-Auscultator*, in 1845, at Berlin. In 1847 he became *Regierungsreferendar* at Potsdam and later at Erfurt. In 1852 he was advanced to the grade of Assessor and employed as assistant at the Royal Prussian Statistical Bureau in Berlin, 1855-61, in the office of the *Oberpräsidium* in Potsdam, and 1861-64 again in the Statistical Bureau. In 1864 he was named Government Councilor, and in the same year member of the Royal Statistical Bureau and of the Royal Statistical Central Commission. From 1862-81 he was docent in the Seminary of the Statistical Bureau. In 1875 he became the Director of the Statistical Bureau of the city of Berlin. In 1881 he was appointed Extraordinary Professor at the University of Berlin, and in the same year received *honoris causa* the degree of Doctor from the faculty of political science of the University of Tübingen. The title of *Geheimer Regierungsrath* was conferred upon him in 1885, while in the following year he became a director of the Seminary of Political and Statistical Science at the University of Berlin.

Professor Böckh is a member of the International Statistical Institute, corresponding member of the Royal Belgian Statistical Central Commission, of the Belgian Société royale de médecine publique, of the Société de médecine publique et d'hygiène professionnelle of Paris, honorary member of the Hygienic Association of Budapesth, and vice-president of the Permanent Commission of the International Demographic Congress.

Dr. Böckh's contributions to statistical science have been very numerous. Besides his official reports and smaller essays especially in the *Zeitschrift des Central-Vereins für das Wohl der arbeitenden Klassen*, *Zeitschrift des kgl.-preussischen Statistischen Bureaus*, *Magazin für die Litteratur des Auslandes*, *Der deutsche medizinische Wochenschrift*, etc., he has written:

"*Die Bevölkerung von England, Frankreich und Preussen.*" *Mittellungen des Kgl. Statistischen Bureaus*, 1853.

"*Die Sprachgrenze in Belgien.*" *Zeitschrift für Erdkunde*, 1854.

"*Veröffentlichungen aus der administrativen Statistik der verschiedenen Staaten.*" Ibid., 1856.

"*Statistik der öffentlichen Sparkassen der Provinz Brandenburg.*" Zeitschrift des Centralvereins für das Wohl der arbeitenden Klassen, 1859.

"*Die Methoden der Volkszählung.*" Ibid., 1861.

"*Ortschafts-statistik und historisch-geographisch statistische Uebersicht des Regierungsbezirkes Potsdam und der Stadt Berlin.*" Ibid., 1861.

"*Die Sterblichkeitsverhältnisse der Kurmark, ein Beitrag für Altersversorgungskassen.*" Arbeiterfreund, 1863.

"*Geschichtliche Entwicklung der amtlichen Statistik des preussischen Staates.*" Festschrift für den internationalen statistischen Kongress in Berlin. 1863.

"*Die Bearbeitung der Kreisstatistiken.*" Zeitschrift des Kgl. Statistischen Bureaus, 1861.

"*Statistik der Urwahlen zum Abgeordnetenhaus.*" Ibid., 1863.

"*Gutachten betreffend Provinzial-Kreis-und Gemeinde-Abgaben.*" Ibid., 1863.

"*Aktenstücke zur Zählung von 1867.*" Ibid., 1868.

"*Geschichtliches über die Beurkundung des Personenstandes im preussischen Staate.*" Ibid., 1871.

"*Preussische Statistik,*" Bd. XXXV.; "*Die communal Finanz Statistik.*" 1875.

"*Sprachkarte vom preussischen Staate nach der Aufnahme von 1861.*" 1863.

"*Die statistische Bedeutung der Volkssprache als Kennzeichen der Nationalität.*" Zeitschrift für Völkerpsychologie, 1866.

"*Der Deutschen Volkszahl und Sprachgebiete in den europäischen Staaten.*" 1869.

"*Historische Karte von Elsass-Lothringen*" (jointly with H. Kiepert). 1870.

"*Die natürlichen Grenzen Frankreichs und Deutschlands.*" Unserzeit. 1870.

"*Das deutsche Sprachgebiet in Frankreich.*" Magazin für die Litteratur des Auslandes, 1870.

"*Belgien und die vlämische Partei.*" Ibid., 1871.

"*Sterblichkeitstafel für den preussischen Staat im Umfange von 1865-1875.*" Conrad's Jahrbücher, Bd. xxv.

"*Statistisches Jahrbuch der Stadt Berlin.*" Vols. III. to XX., 1875-93. Published 1877-95.

"*Die Bevölkerungs-Gewerbe-und Wohnungsaufnahme in der Stadt Berlin vom 1 Dez., 1875.*" 4 Hefte, 1878-80.

Idem vom 1 Dez., 1880. 3 Hefte, 1883-88.

Idem vom 1 Dez., 1885. 2 Hefte, 1890-91.

Idem vom 1 Dez., 1890. 2 Hefte, 1893-95.

"*Die Bewegung der Bevölkerung der Stadt Berlin in dem Jahren 1869-78.*" 1884.

"*Die statistische Messung des Einflusses der Ernährungsweise auf die Kindersterblichkeit.*" Heft 28. Abhandlungen des Wiener demographischen Kongresses.

"*Tabellen betreffend den Einfluss der Ernährungsweisen auf die Kindersterblichkeit.*" Bulletin de l'Institut internationale de statistique, Tome ii., 1887.

"*Die Statistische Messung der ehelichen Fruchtbarkeit.*" Ibid., Tome v., 1890.

"*Halley als Statistiker, zur Feier des 200 jährigen Bestehens von Halley's Sterblichkeitstafel.*" Ibid., Tome vii., 1893.

"*Veröffentlichungen des Statistischen Amtes der Stadt Berlin.*" 1876-95.

"*Bevölkerung.*" Abschnitt in Statistischen Jahrbuch deutscher Städte, Vols. I. to IV.

"*Karte der Verbreitung der Deutschen in Europa.*"

"*Deutsches Volk.*" Brockhaus Lexicon.

"*Bericht über den demographischen Kongress im Haag, 1884.*" Deutsche Vierteljahrschrift für öffentliche Gesundheitspflege. Bd. xvii.

Idem, "*Kongress in Wien, 1887.*" Ibid., Bd. xx.

"*Die Arbeiten des statistischen Amtes der Stadt Berlin.*" Börners. Bericht über die Hygiene Ausstellung, 1882-83. III., 1886.

"*Mortalité d'après les causes de décès.*" Rapport du Congrès de la Hage, 1884.

"*Table de mortalité de la ville de Berlin, année 1879.*" Jubilee Volume, Royal Statistical Society, 1885.

"*Travaux du bureau de statistique de la ville de Berlin.*" 25me anniversaire de la société de statistique de Paris, 1886.

#### ITALY.

**Palermo.**—Professor Francisco Maggiore-Perni has recently been appointed Ordinary Professor of Statistics at the University of Palermo. He was born at Palermo, November 11, 1836, and received his early education in the Jesuit schools of that city. He attended the Law Faculty of the University of Palermo in 1853-57, where in 1857 he obtained first prize in the competitive examination in Political Economy and received the degree of *Doctor juris*. In 1859 Dr. Maggiore-Perni engaged in the practice of the law, which he followed until



1863, when he became Director of the Municipal Bureau of Statistics of the city of Palermo, a post which he still holds. In 1864 he became a member of the Statistical Commission of the city and department. His university career began in 1877, when he became Docent of Statistics at the University of Palermo. In 1886 he was appointed Professor Incaricato, in 1890 Extraordinary Professor, and in 1895 Ordinary Professor. Professor Maggiore-Perni was formerly editor of the journals *L' Idea* (1858-59), *Revista de Sicilia* (1865-68), *La Regime* (1869-72), *Giornale ed atti della Societa siciliana d'economia politica* (1875-90), *Annuario di diritto pubblica* (1890-95), and *Gazzetta municipale di Palermo* (since 1871). Professor Maggiore-Perni is member of a large number of learned bodies such as the Italian Royal Academy of Science, Letters and Arts, the Sicilian Society of Political Economy, the German Jurists' Society of Prague, the Jurists' Society of Berlin, and the Royal Academy of Jurisprudence and Legislation of Madrid. Professor Maggiore-Perni's principal publications are :

" *Applicazione delle leggi economiche alla siciliana esposizione delle opere d'industrie nel 1857.*" 1857.

" *Della compilazione e della materia statistica.*" 1858.

" *Sul credito territoriale ed agrario.*" 1858.

" *Materie prime e prodotti.*" Pp. 24. 1859.

" *Sulla scienza delle finanze.*" 1859.

" *Sull' Associazione, studii.*" 1859-1865.

" *Progetto di un nuovo ordinamento della statistica in Sicilia.*" 1860.

" *Delle strade ferrate in Sicilia,*" Opera premiata dal R. Istituto di Incoraggiamento di Sicilia. Pp. 332. 1861.

" *Lo stato italiano e i beni di mano-morta siciliana sotto l'aspetto giuridico ed economico.*" Pp. 132. 1864.

" *Sui censimenti della popolazione e su quello della citta di Palermo del 1861.*" Pp. ccvii, 482. 1865.

" *L'incameramento e i beni di mano-morta siciliana.*" 1865.

" *Della privativa dei tabacchi in rapporto all' industria siciliana.*" 1865.

" *Della unificazione legislativa.*" 1865.

" *Mac-Culloch, la sua vita e le sue opere, cenni.*" 1865.

" *Sull' ordinamento delle finanze.*" 1865.

" *Dei pubblici impiegati e dei loro diritti in rapporto allo Stato e alla legge di disponibilita.*" 1866.

" *Dei varii progetti sulla soppressione degli ordini religiosi, e destinazione dei loro beni.*" 1866.

" *Progetti e provvedimenti finanziari.*" 1866.

" *Della moneta di carta e delle conseguenze del suo corso.*" 1866.

- "*L'economia pubblica e la nazionalita.*" 1866.
- "*Sull'ordinamento finanziario ed amministrativo in Italia.*" 1867.
- "*Di taluni errori intorno all'ordinamento amministrativo d'Italia.*" 1867.
- "*Del progetto della Commissione sull'asse ecclesiastico.*" 1867.
- "*Dei sofismi e delle metafore in politica, economia e pubblica amministrazione.*" 1868.
- "*L'accentramento e i lavori pubblici in Sicilia.*" 1869.
- "*Topografia e popolazione della città di Palermo.*" Pp. 122. 1869.
- "*Di Emerico Amari e delle sue opere.*" Pp. 110. 1871.
- "*Sui movimenti della popolazione di Palermo dal 1862 al 1864.*" Vol. I. Pp. 1x, 387. 1872.
- "*I censimenti della popolazione di Palermo del 1861 e del 1871 e i movimenti del decennio.*" Pp. 114. 1874.
- "*L'imposta fondiaria in Italia ed il progetto della perequazione. Memoria.*" Palermo. Pp. 76. 1875.
- "*Dei movimenti della popolazione di Palermo del 1863 al 1867.*" Pp. 444. Palermo, 1878.
- "*El dazio di consumo e la proposta di riforma in rapporto di bilanci delle grande città con tre tavole statistiche.*" Pp. 92. Palermo, 1879.
- "*L'economia politica in Sicilia nel secolo XIX.*" Atti dell'Accademia R. di scienze lettere ed arti, 1875.
- "*Tommaso Natele, i sui tempi et la riforme economiche in Sicilia nel secolo XVIII.*" Ibid., 1880.
- "*Discorso per la solenne celebrazione del decennio anniversaria della società siciliana d'economia politica.*" Palermo, 1885.
- "*La tutela e il lavoro dei fanciulli nelle miniere di Sicilia,*" Saggio economico statistico. Pp. 28. Palermo, 1875.
- "*L'industria manifatturiera di Palermo e il lavoro delle donne e dei fanciulli.*" Pp. 24. Palermo, 1877.
- "*Sulle condizioni economiche agrarie della Sicilia in rapporto alle altre regioni italiane.*" Pp. 70. Palermo, 1877.
- "*La popolazione siciliana in rapporto al territorio e alle condizioni sociali.*" Pp. 32. Palermo, 1877.
- "*Prezzo del grano e dei suoi prodotti pasta e pane nella Città di Palermo dal 1850 al 1874.*" Pp. 24. Palermo, 1876.
- "*Sul bisogno di una Statistica Storica delle grandi città.*" Pp. 9. Palermo, 1876.
- "*Statistica elettorale politica ed amministrativa della Città di Palermo dal 1861 al 1877.*" Pp. 94. Palermo, 1879.
- "*Statistica dei giurati della Città di Palermo dal 1861 al 1880.*" Pp. 42. Palermo, 1879-80.

"*Sul caro prezzo del pane in Palermo.*" Pp. 31. Palermo, 1880.

"*Dei movimenti della popolazione di Palermo nel decennio 1862-71*" in rapporto al precedente. Pp. 165. Palermo, 1880.

"*Dei movimenti della popolazione di Palermo nel decennio 1872-81.*" Pp. 72. Palermo, 1884.

"*Sulla salute pubblica della città di Palermo.*" Pp. 23. Palermo, 1883.

"*La statistica nel concetto, nell' ufficio, nella dignità, nella scienza.*" Pp. 16. Palermo, 1883.

"*Tentativo di una definizione della statistica in rapporto al suo assunto e al suo metodo.*" Pp. 41. Palermo, 1884.

"*Importanza della statistica in ordine al suo sviluppo scientifico e civile.*" Pp. 22. Palermo, 1887.

"*Del grado di certezza della statistica nei suoi numeri e nelle sue induzioni.*" Pp. 22. Palermo, 1888.

"*Limiti ed attinenze della statistica con le scienze che studiano i vari ordini della vita sociale.*" Pp. 109. Palermo, 1889.

"*La regolarità degli atti umani e le leggi statistiche.*" Pp. 96. Palermo, 1889.

"*Unità e indipendenza della scienza statistica.*" Pp. 66. Palermo, 1889.

"*La popolazione di Sicilia e di Palermo dal X al XVIII secolo.*" Pp. 624. Palermo, 1892-93.

"*Movimento economico e sociale dell' Italia di fronte a se stessa e a talune grandi nazioni*" Appunti statistici. Pp. 44. Palermo, 1893.

"*Le inchieste sociali e le monografie di famiglia in rapporto alla statistica.*" Pp. 24. Palermo, 1893.

"*Palermo e le sue grandi epidemie dal secolo XVI al XIX.*" Saggio storico-statistico. Pp. 608. Palermo, 1894.

"*La legge dell' emigrazione permanente in Italia.*" Pp. 154. Palermo, 1894.

"*Sulle condizioni demografiche economiche ed amministrative della città di Palermo.*" Pp. 140. Palermo, 1895.

"*Delle condizioni economiche politiche e morali della Sicilia dopo il 1860.*" Pp. 250. Palermo, 1896.

## BOOK DEPARTMENT.

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### NOTES.

A VALUABLE ADDITION to recent literature treating of the industrial history of England is Professor Cheyney's "Social Changes in England in the Sixteenth Century as Reflected in Contemporary Literature."\* This work is all that the title indicates and considerably more. In an opening chapter the author gives an exceedingly lucid and well-balanced account of the English manorial system as it existed down to the sixteenth century. Condensed into twenty pages, this is as good a description of English agricultural conditions in the Middle Ages as has yet been written, and supplies an admirable basis for the consideration of the references to contemporary literature which are mustered in the second chapter and form the body of the book. Beginning with John Ross' "Warwickshire Antiquary," which appeared about 1460, Professor Cheyney makes use of nearly every contemporary authority of importance down to the "Petition of the Diggers of Warwickshire," which was presented about 1598. Citations are drawn from nearly fifty contemporary sources and the result is a more vivid picture of the industrial changes leading up to and following the numerous inclosures of this period than it would be possible to give by any other method. Professor Cheyney's conclusions are conservative. The period from 1475 to 1575 is shown to have been a period of rapid change and development in comparison with the centuries which preceded. These changes represented progress, but fell with peculiar hardship on the lower classes of agricultural laborers who adjusted themselves but slowly to the new conditions, when sheep-raising displaced agriculture and manufacturing and city-life came forward prominently. By the end of the sixteenth century the readjustment was effected and the England which emerged in the seventeenth century was a new world, industrially, socially and politically. This monograph will be especially useful to students of English industrial history since it gives them in compact form the contemporary literary references to the rural changes which characterized this important period.

\* *Social Changes in England in the Sixteenth Century as Reflected in Contemporary Literature*. Part I. *Rural Changes*. By EDWARD P. CHEYNEY, A. M. Publications of the University of Pennsylvania, Series in Philology, Literature and Archæology. Vol. iv, No. 2. Pp. 114. Price, \$1.00. Boston: Ginn & Co., 1895.

THE FIRST VOLUME of Mr. Foster's "Commentaries on the Constitution," \* gives some idea of the magnitude of the work which the author has undertaken. In this volume of some 715 pages, questions introductory to the study of constitutional law are treated; such are, the general nature of federal constitutions; formation of the Constitution of the United States; the meaning of the Preamble; the three departments of the government; Congress—its members and officers. If the present plan is followed, the work, when completed, will form a running commentary on our organic law. This seems to be the purpose the author has in view. Little or no attempt has been made to treat the general questions of constitutional law in their relation to one another, nor to examine their growth from the standpoint of the public law.

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"THE BUILDING OF THE NATION," † by Henry Gannett, may be looked upon as a popular Compendium of the Census by one who has borne an honorable share in the preparation of the official document. The style is somewhat more pyrotechnic than becomes that of a government document, but the matter is essentially the same. Successive chapters treat of National Domain, Government, Population, Agriculture, Manufactures, Mineral Resources, Transportation, Finance and Wealth. This descriptive matter forms the basis of the work, though there are a few words of introductory generalization under the caption, "An Industrial Republic," while at the close the author drops into prophecy and gives a highly colored "Forecast of the Future." But gorgeous language and the gorgeous binding of the book cannot affect the solid basis of fact upon which it is built up. Mr. Gannett is primarily a geographer, and includes in full the geographical data which he has made familiar to us in the Census publications. Statisticians are generally agreed that this is useless ballast, which might give place to matter of more value.

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WE SURELY HAVE to thank Mr. Godkin's publishers for having persuaded him to put his "Reflections" ‡ into a more permanent, or, at

\* *Commentaries on the Constitution of the United States, Historical and Judicial: With Observations upon the Ordinary Provisions of State Constitutions, and a Comparison with the Constitution of Other Countries.* By ROGER FOSTER. Pp. 713. Price, \$4.50. Boston: Boston Book Company, 1895.

† *The Building of the Nation.* By HENRY GANNETT, Chief Geographer of the Geological Survey and of the Eleventh Census. Pp. 252. Price, \$2.50. New York: Henry T. Thomas Company, 1895.

‡ *Reflections and Comments, 1865-1895.* By EDWIN LAWRENCE GODKIN. Pp. 328. Price, \$2.00. New York: Charles Scribner's Sons, 1895.

least, more convenient shape than the files of a weekly periodical running over thirty years could give them. They are selected from the author's editorial contributions to the *Nation* and they deal with a great variety of non-political subjects, both "grave and gay," that have at one time and another interested the American people since the close of the Civil War. They show us the editor of the *Nation* at his best and in his most genial moods. These short essays cover a charming variety of topics—"Culture and War," "The 'Comic Paper' Question," "The Morals and Manners of the Kitchen," "John Stuart Mill," "Panics," "Tyndall and the Theologians," "Chromo-Civilization," "The Debtor Class," "Physical Force in Politics," "The Evolution of the Summer Resort" and numerous other unrelated, incongruous subjects. They are light and airy, and deal with transient superficial social phenomena—sort of post-prandial productions—with this important difference: they are the productions of one whose vision is keen and far-seeing, whose pen is sharp and whose capacity for trenchant statement is seldom equaled. These "Reflections" form a genuine and substantial contribution to that class of literature which gives us acute criticisms of social and political life unaccompanied by ponderous reasoning that is fast going out of vogue in these fearfully scientific and abstrusely theoretical days. Apropos of the daily Jeremiads on the uncertainties of trade, the wrecks of industry and the wickedness of man, the following sentence from "Panics" may not prove untimely or uninteresting, coming from one not given to overweening optimism: "To any one who understands what this new social force, Credit, is, and the part it plays in human affairs, the wonder is, not that it gives way so seldom, but that it stands so firm; that these hundreds of millions of laborers, artisans, shopkeepers, merchants, bankers and manufacturers hold so firmly from day to day the countless engagements into which they enter, and that each recurring year the result of the prodigious effort which is now put forth in the civilized world in the work of production, should be distributed with so much accuracy and honesty and, on the whole, with so much wise adjustment to the value of each man's contributions to civilization."

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THE SECOND VOLUME of Gomel's useful treatise\* upon the financial causes of the French Revolution has appeared and the work has been *couronné* by the French Academy and by the *Académie des Sciences morales et politiques*. The first volume has already been described

\* *Les Causes financières de la Révolution française.* Par CHARLES GOMEL. Paris: Guillaumin et Cie, 1893.

in the *ANNALS*.\* The present one deals with the period between the dismissal of Necker (1781) and the assembling of the Estates General. M. Gomel tells his story in a characteristically lucid style. While adhering closely to his theme he manages, without diverting the reader's attention, to trace at the same time the changing attitude of the public toward the government. The history of the revolution can, perhaps, be best approached from the financial side. The political movement, which began at least two years before the meeting of the Estates General, was the result of a financial crisis and, as M. Gomel remarks, who knows but the violent overthrow of the older system might not have been avoided had Louis XV. been followed by a monarch preserving even ordinary insight and strength of character. Our author treads a well-beaten path. He is no lover of paradox and the reader looking for new and suggestive restatements of the well-known antecedents of the revolution will be disappointed. Turgot, Necker, Bailly and Droz seem long ago to have discovered and presented the really salient characteristics of the period.

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MACMILLAN & Co. publish a small volume by William Gow, Underwriter of the Marine Insurance Company of Liverpool, on the question of marine insurance.† The volume contains the substance of a course of lectures delivered at the University Club under the auspices of the Liverpool Board of Legal Studies. The intricate questions of the extent and limitation of liabilities of the companies and the rights of the insured are examined with great care.

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THE TENDENCY OF the legislative branch of government to gradually absorb all essential powers to itself has frequently led to doleful protests on the part of political writers. In his monograph ‡ on the control over legislation in the United States and its members, Professor Hershey has given a succinct account of the various devices and organs which counteract this tendency. He discusses in turn the veto, the right of the judiciary to pass upon the constitutionality of legislation, and the direct participation of the people in legislation through constitutional conventions and various forms of referendum.

\* Vol. iii, p. 381. November, 1892.

† *Marine Insurance*. By WM. GOW. Pp. 401, Price \$1.50. New York and London: Macmillan & Co., 1895.

‡ *Die Kontrolle über die Gesetzgebung in den Vereinigten Staaten von Nord-Amerika und deren Gliedern*. By DR. AMOS S. HERSHEY. Pp. 73. Heidelberg: Hörnung, 1895.

Prepared in Germany, without access to original sources of information, such an essay must necessarily be a summary. It is, however, a good summary, and has the merit of combining in a single treatment all the checks upon legislative activity which our constitutional development has produced.

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ONE OF THE MOST useful bibliographies of the social sciences published is the "*Bibliographia sociologica*,"\* now in its fifth year, and of which the first two numbers for 1895 have just been received. The editors of this bibliography have recently adopted the Dewey system of classification in the arrangement of titles, and introduce the present number with a brief explanation of the advantages of this change. The bibliography embraces over four thousand titles and is practically exhaustive for French, German and English literature. The references to periodical literature are especially full, and will make this publication invaluable to students of special social problems.

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THE LOWELL LECTURES, delivered this year, on "The Church in the First Three Centuries,"† have been published with the addition of illustrative quotations. The lecturer limited himself to stating the facts in a clear and interesting manner, and did not attempt any original contributions. The result is an excellent example of what such work should be. Only two criticisms suggest themselves. On matters of dispute Mr. Moxom does not often state that there is an opposite view; and in some cases, *e. g.*, use of penances, he fails to discuss germs which are of importance on account of their later developments.

The bibliographical note is unsatisfactory. It is limited to English works and even of the English books, "Cruttwell," "Gwatkin," and other important works are omitted. And any such list ought to be more than a mere aggregation of titles. Sources should be distinguished from secondary works and the latter should be classified according to their merit.

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JUST NOW, WHEN American manufacturers are beginning to complain that they cannot hold their own in certain directions against

\* *Bibliographia sociologica. Sociologie et Droit. Sommaire méthodique des traités et des revues.* By H. LA FONTAINE and P. OTLET. Pp. xxiii, 170. Price, 10 francs. Brussels, 1895.

† *From Jerusalem to Nicæa.* By PHILIP STAFFORD MOXOM. Pp. xii, 457. Price, \$1.50. Boston: Roberts Brothers, 1895.



Japanese competition, the recent monograph of Dr. Oscar Münsterberg\* upon Japan's Foreign Trade from 1542 to 1854 is peculiarly welcome. In spite of his inability to make use of the native sources, the author of this monograph has brought to light a very extensive literature bearing upon Japan's trade relations with other countries and the account which he gives us of Japan's foreign relations is fairly complete. The most extended period is from 1640 to 1855, when Japan attempted to maintain a policy of complete non-intercourse with the outside world. It is to be regretted that Dr. Münsterberg did not enlarge the scope of his monograph so as to include the last forty years of Japan's history and thus make his survey of more than historical interest.

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PERSONS INTERESTED IN fundamental questions concerning the functions of government will find pleasure and profit in a little volume, "Anarchy or Government?" † by William M. Salter. Anarchy is here used as signifying "freedom from organized force imposing itself on society." Admitting that this is the ideal state of society and that the abstract presumption is against government, the author inquires on what grounds and how far a community may use force in attaining its ends and finds the chief justification for nearly all the functions, at present exercised without question, in the fact that the individuals in society "are not mere units, but members of a somewhat beyond themselves." He repudiates all idea of a contractual relation. In the industrial field we now have, with scarcely any exception, "anarchy" and the enlargement of government functions to cover parts or all of this field is often opposed, especially by Spencer, on grounds which would logically lead to the abolition of all government except for defensive warfare. The author concludes that as to how far a society may go in securing social welfare, no line of principle can be drawn. How far freedom of contract shall be permitted and what industrial functions the state shall assume, are questions of expediency. While there are decidedly questionable propositions here and there, the main line of argument and the theoretical conclusion reached seem entirely sound.

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THE NEW CONSTITUTION of South Carolina, which went into effect on the thirty-first of December, 1895, contains many important changes

\* *Japans Auswärtiger Handel von 1542 bis 1854*. By Dr. OSCAR MÜNSTERBERG. Pp. xxxviii, 312. Price, 7 marks. Münchener Volkswirtschaftliche Studien. Heraus gegeben von Lujo Brentano und Walther Lotz. Stuttgart, 1896.

† *Anarchy or Government?* By WILLIAM MACKINTIRE SALTER. Pp. 176. Price, \$1.75. New York and Boston: T. Y. Crowell & Co., 1895.

which reflect the peculiar social conditions in that State. Perhaps the most striking is the restriction of the electoral franchise, so as to exclude the illiterate population. The amendment, as actually adopted, will probably have, as immediate effect, the disenfranchisement of a large percentage of the colored population. A general provision is inserted that every elector must be able to read and write any part of the constitution; or, if unable to do this, must have paid taxes on assessed property of a value of at least \$300. This is modified by a curious qualification, intended probably to enable the illiterate white population to become electors. It is provided that "up to January 1, 1898, all male persons of voting age applying for registration, who can read any section in the constitution submitted to them by the registration officers, *or understand and explain it when read to them by the registration officer*, shall be entitled to register and become electors." Such persons are to remain, during life, qualified electors, unless disqualified by other provisions of the constitution. A right of appeal from the decision of the registration officers to the Court of Common Pleas, and thence to the Supreme Court, is provided for.

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THE SECOND VOLUME of the new, revised edition of Villari's "*Niccolò Machiavelli e i suoi Tempi*" \* has been issued by Hoepli, of Milan. While the type is smaller than that of the first edition the paper and printing in the present issue are much better. The author has made a number of changes in detail and taken account of the criticisms which his book called forth; for example of the late Professor Baumgarten's views of the *Prince*. A number of new documents have been included in the appendix, among others autograph marginal criticisms made by Queen Christina, of Sweden, upon the *Prince*. A third volume has still to be revised in order to complete the work.

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MR. WEBSTER'S TREATISE on the "Law of Naturalization" † forms a companion volume to the same author's work on the "Law of Citizenship in the United States." The author discusses in great detail the relation between laws governing emigration and naturalization and, in this connection, lays down the principle that "complete naturaliza-

\* *Niccolò Machiavelli e i suoi Tempi-illustrati con nuovi documenti*. By PASQUALE VILLARI. Second edition, revised and corrected. Vol. ii. Price of the three volumes, 15 lire. Milan: Hoepli, 1895.

† *The Law of Naturalization in the United States of America and of Other Countries*. By PRENTISS WEBSTER, A. M. Pp. 423. Price, \$4.00. Boston: Little, Brown & Co., 1895.

tion, in the international sense, exists only when, in absolute good faith, all the rules which govern emigration from the country of origin . . . are complied with." The right of expatriation, in so far as it is a recognized legal right, is fully considered. The author then proceeds to take up the various stages leading to naturalization in the United States and, in the concluding chapters, describes the process in the countries of Europe and South America. A special feature of the book is the excellent analytical index which enables one to refer with great ease to the great number of legal questions connected with this subject.

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REVIEWS.

*The Canadian Banking System, 1817-1890.* By R. M. BRECKENRIDGE, Ph.D. Publications of the American Economic Association. Vol. X., Nos. 1, 2, 3. Pp. 476. Price, \$1.50. New York: Macmillan & Co., 1895.

Dr. Breckenridge's bulky volume on the Canadian Banking System represents much intelligent industry, rendering information available that has hitherto been scattered among government records, forgotten pamphlets and magazine articles. It is more than a mere history or description of banking experiments in Canada. It presents with considerable fullness the arguments pro and con made at the various intervals during which the Canadian banking system has undergone revision. The book, in a way, therefore, constitutes a treatise upon the principles of banking, for these principles have received a thorough exposition during the discussion of banking reform in Canada. On this account, since the banking question is still unsolved in this country and bids fair soon to be uppermost in politics, Mr. Breckenridge's work is timely and valuable.

The development of banking in Canada, unlike that in the United States, has been continuous, and in the existing system there still linger features or provisions which were first put to the test by the earliest banks established in the colonies. The National Banking System of the United States was born of a crisis, having been at first essentially a device in succor of the National Treasury. The growth of banking in Canada has been affected by no such extraneous motives. As a rule, changes in the Canadian system have been made solely for the purpose of improving it. The experience, therefore, of Canada is much more helpful to the student than the experience of the United States, where banks have too often been used either as spoils of politics or as expedients in government financing.

Mr. Breckenridge is very thorough in his history of early banking in Canada. Of the 470 pages in his book 315 are allotted to the discussion of banking prior to 1890, when the latest revision of banking law was made. In the first five chapters he describes the banking experiments made in Lower and Upper Canada prior to 1839, and in the Province of Canada from 1841 to 1867. The effects of the banking act of 1857 and of the mania for free banking which prevailed after 1850 are fully and clearly set forth. The four succeeding chapters, which treat of banking reforms, of banking under the confederation of 1867 to 1889, of the revision of 1890, and of the working of the present system, will be of most interest to the general reader. They can not, however, be read independently of the preceding chapters, for the author in discussing the various reforms proposed does not bring to view the evils and the advantages which experience had shown former systems to possess. This is unfortunate, for the latter half of his book, beginning with page 219, if it were in some degree complete in itself, as it might easily have been made, would have been likely to meet with some popular favor in this country, whereas the present volume by its bulk is likely to repel the average reader. It is to be regretted that Mr. Breckenridge, when constructing his chapters, did not have in mind the needs and prejudices of general readers and make each one so far as possible complete in itself. He has so run the chapters one into the other, making each statement in one chapter hinge upon statements in a preceding chapter, that a reader is baffled and confused in his search for information, unless he makes continuous examination of the whole book. A carefully prepared index would have lessened the evil and made much of the information in the book instantly accessible, but the book has no index whatever, so that a student is compelled to rely upon the rather meagre table of contents. The publication committee of the American Economic Association is certainly inexcusable for having permitted such a valuable book go out in its present form.

The salient features of Canadian banks are well known, and Mr. Breckenridge's contribution is valuable not so much because it describes them, as because it shows the inductions on which they are based and states the arguments which secured their adoption. The popular notion is that Canadian banks are left by the government to do business about as they please, whether as concerns deposits or discounts or note issues, and that as this policy of non-interference by the government has proved successful in Canada, the system upon which it rests must be an excellent one *per se*. There is no doubt that the Canadian banking system now in operation is an excellent one, but its excellence consists by no means merely in the lack of govern-

mental supervision. Because banks in Canada are not required to keep a minimum reserve of specie or legal tender money to secure a conversion of notes or the payment of deposits, it by no means follows that a system embodying these two features would be successful in this country.

One of the most important features of the Canadian system is its encouragement of branch banks, which enable the institutions at monetary centres to loan capital with safety in remote parts of the Dominion. Under the branch bank system the condition of credit in all parts of the Dominion is well known to all the bankers in the large cities, for their own business extends to every part of the country and they have daily reports from their own agents and representatives in all quarters.

Another important feature of the system, and one essential to its safety, is the fact that the bank notes lack the legal tender quality or a government guarantee. Consequently each bank watches with sharp eye the operations of all competitors and will, on detecting any sign of weakness in one of them, refuse to accept its notes and thus throw discredit upon it. The banks of the three monetary centres of the Dominion, Montreal, Toronto and Quebec, act as clearing houses for all the banks in the Dominion. Bank notes are sent to them for redemption, and inasmuch as no bank cares to make money for its competitors, all bank notes are presented for redemption as soon as received. Thus the sharpest banking talent in the Dominion is constantly on the lookout for evidence of unsound banking and is armed with a weapon that metes out swift and sure punishment.

Furthermore, as the banks demand from one another statements of their condition, and monthly reports are made to the government, each banker in the Dominion has at his hand all material necessary for self-protection. The parent banks naturally maintain the closest scrutiny of the affairs of their branch organizations. This scrutiny is not made by an officer of the government, who may have been appointed for political reasons, but is made by men who are selected by the banks because of their known capacity. The scrutiny, therefore, is not perfunctory, as is often the scrutiny of bank examiners in this country, but is thorough and without favor, for each bank knows that it cannot afford to let the slightest shadow fall upon its credit. No one can study the Canadian system impartially without coming to the conclusion that its security is largely the result of the concentration which is the outgrowth of the legalizing of the branch bank.

There are several other excellent safeguards for the depositor and note-holder. A new bank, for instance, cannot begin business until at least \$250,000 has been paid in on its capital stock and kept on

deposit with the Minister of Finance for four weeks, and even then the chartering of the bank is discretionary with the government. The directors of a bank must hold a certain proportion of its paid-up capital stock. The circulation must not exceed in amount the capital stock and is secured by deposit with the government of 5 per cent of the capital stock. That bank notes may never fall below par, it is provided that the notes of an insolvent bank shall draw interest at 6 per cent, and that if they are not paid out of the assets of the bank within sixty days after its failure, they may be paid by the government out of the safety fund. They constitute a first lien on bank assets. Liabilities to the Dominion are a second lien, and liabilities to the government of any province a third lien.

Such are some of the provisions which are the fruit of Canadian experience in banking, and there is much evidence that they are effective in securing both note-holder and depositor. The banks are required by law to keep no reserve against their circulation or their deposits; but a force stronger than law compels them to keep a reserve sufficient to meet the demands made upon them. As these demands vary according as the business of a bank varies, it is found that the reserves of Canadian banks differ widely in amounts. The banks of the financial centres, since they act as clearing houses for the banks of the Dominion, are obliged to keep larger reserves than the other institutions. The whole argument for and against required reserves is very well set forth by Mr. Breckenridge and deserves a careful reading by bankers in the United States.

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*Souveraineté du peuple et Gouvernement.* Par EUGÈNE D'EICHTHAL.

Price, 3 fr. 50. Paris: Félix Alcan, 1895.

Several years ago M. de Laveleye declared that the parliamentary system was working defectively almost everywhere, even in England. Accepting this statement as still more true to-day than at the time it was written, M. d'Eichthal calls attention to the two evil tendencies of parliamentary government from which France has chiefly suffered. If the system is to be faithful to its history in England for the last century, an assembly like the Chamber of Deputies should serve as an agency for the creation and control of successive ministerial governments. Instead of accomplishing this end the Chamber at times does little more than furnish an arena for warring groups of politicians, no one of which can remain dominant long enough to save France from the scandal and danger of unstable ministries. Moreover it has

been currently reported that this body was vaguely ambitious of governing directly, after the manner of the Convention. The resignation of Casimir Périer last winter revealed the weakness of the executive in the presence of its encroachments.

Now M. d'Eichthal believes that any exaggerated power the Chamber possesses is supported by the notion, widely current, that it is something more than a political device; that, in a sense which is not true of any other department of the government, it stands in the place of the sovereign people. This notion has arisen in the face of Rousseau's dictum that the sovereignty of the people can not be delegated even to an assembly of representatives. Rousseau's followers, especially during the Revolution, regarded any departure from direct government by the people as an unfortunate but perhaps necessary concession. Still the concession once made, and an assembly of delegates impersonating the sovereign once organized, these politicians have always been inclined to beat down all barriers offered to the will of this body. In his criticism of this notion M. d'Eichthal shows that in the eighteenth century the idea of popular sovereignty was a mere rallying cry against the "divine right" theory of the monarchy. Such an idea could not be worked out in practice unless men were ready to accept the decision of a bare majority,—one-half plus one of the voting population—as the will of the sovereign. But the Chamber generally does not represent even a majority, because about a third of the voters stay at home. One-third of the voters plus one may then elect the Chamber, and when it is remembered how largely the votes of this one-third are controlled by local committees, an assumption of sovereignty by such an assembly is simply odious.

M. d'Eichthal's sketch of the doctrine of sovereignty from Aristotle's time to the present century is one of the most suggestive parts of his book. In his second part he describes the doctrine of the separation of powers, and shows how great an impetus it received from Montesquieu's account of the English government, incomplete though that was. It is assuredly curious to reflect that at the very moment when the English constitution was developing rapidly in the direction of a harmonious co-operation between the executive and the legislative functions of the government, an acute observer of English affairs should base upon that very constitution the doctrine of the separation of powers. M. d'Eichthal regards the American constitution as the most perfect application of the doctrine as expounded by Montesquieu; which was natural, since the framers of the constitution attached much importance to his opinions, and the contributors to the *Federalist* show comparatively little familiarity with other political speculations. In referring to the part the doctrine played in the Revolution, M.

d'Eichthal does not sufficiently emphasize the influence of Rousseau. For example, when there was an attempt in March, 1793, to organize an effective ministry selected from the Convention, Bancal materially contributed to its defeat by a quotation from Rousseau's statement of the dogma.

Although M. d'Eichthal's discussions refer largely to the current problems of French political life, they are an important contribution to the study of the tendencies of democratic government in all countries where it exists.

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*A Scientific Solution of the Money Question.* By ARTHUR KITSON. Pp. viii, 418, with appendix. Price, \$1.25. Boston: Arena Publishing Company, 1895.

This is a good book with a bad title. Science does not solve social questions; the most it can do is to analyze social conditions, and formulate the laws of social forces. It is doubtful even, whether we can rightly speak of a "money question" at all. Social forces have, indeed, severed the population once more, into two opposing groups, holding diametrically opposite views, this time on monetary and financial matters. The issue thus formulated may for convenience be spoken of as "the money question;" but this is a matter of politics, to be decided by majorities and not solved by science. Science should go much further back and get at the final cause of present conditions, and then measure the forces now at work. Mr. Kitson's book, on the contrary, begins from above and analyzes present conditions with remarkable perspicacity. Finding them, from the standpoint of "the greatest good to the greatest number," utterly illogical, he calls science to his aid and solves the question for the benefit of all. This, I say, is unscientific, from a sociological point of view, for it is certainly an assumption to imagine that social evolution always favors the cause of the many over against the interests of the few.

Mr. Kitson concludes: "that the present orthodox system of political economy is a false and fraudulent system, and is based upon principles utterly fallacious and immoral;" and again: "that the true science of economics, dealing as it does with economic conduct, is essentially a moral science, and its principles must agree with those of ethics." This is judging the theories of the past from the facts of the present. Instead of being false, fraudulent and immoral, political economy was a frank and truthful statement of the economic and ethical conditions of the time of its expression, and its conclusions



were certainly logical from the sociological premises of the time. Its deductions may no longer fit in with the facts; but that is because social premises have changed. One might as well call elderly people false, fraudulent and immoral, because they are unable to think and feel in their old age, as they did in their youth.

Leaving the sphere of the abstract good, and coming to an analysis of present conditions, Mr. Kitson is better. Recognizing, with the more advanced economic thinkers of the day, that values are after all but "ideal creations" and "abstract relations," he has the acumen to see, and the temerity to maintain, that they "cannot possibly be measured, nor can they be expressed save by numbers," and that hence "gold can neither measure nor express values." Instead of vainly seeking a chimera, which ever eludes one, as so many economists have of late been doing,—Mr. Kitson boldly states that "a standard of value is an absurdity, a nonentity." Of course there never has been, except in men's minds, and there never will be, in this world at least, an invariable unit of value; as the very principle of dynamics and evolutionary growth precludes the possibility of such a factor. An invariable unit of purchasing power, in the form of a ratio between values, is, however, not only conceivable but practicable; and Mr. Kitson's lucid demonstration of this point, with his scheme for its fulfillment, is indeed admirable. His analogy of the balloons (Preface p. iv) is too good to be squeezed into a note.

This leads Mr. Kitson to the fallacy of the commodity unit of purchasing power. As time changes all things, so must time affect the material of which such commodity is composed, and especially its value relation to other commodities. Mr. Kitson is wrong, however, in saying that economists "in omitting the element of time from their definition of a unit of purchasing power, and instituting a material unit, . . . have left the industrial world at the absolute mercy of a clique of speculators, whose incomes are derived from alternately depressing and stimulating production." This is giving economists too much credit. One might as well attribute the institution of negro slavery in America, to Las Casas, because he chanced to remark that the blacks made better workers in the sugar fields than the Indians. The commodity standard was no more evolved by the economists, than was the feudal system by the Schoolmen. Social evolution pushed it to the front in our days as still another means of bringing about that ever recurring bipartition of society, which property in persons, and property in land, was no longer able to achieve. Finding it already there, economists simply adopted it as a premise,—just as Roman jurists accepted slavery, and the feudalists recognized serfdom, in the days gone by.

The monopolization of the commodity composing the standard, has indeed brought about that train of results for chrematistic good and socialistic evil, which Mr. Kitson so well describes ; but it is certainly unscientific to say that "the monopolization of money is due solely to special laws, restricting and prohibiting the issuance of money except by privileged institutions." These laws are effects, not causes—or at most only immediate causes. The revolutionists of the last century attributed all the ills of man to monopolistic land laws. They could not stop at law reforms, however, but had to attack the very foundations of the feudal system ; and still somewhat the same conditions confront us again to-day. Agitators and reformers may wage war on immediate causes, as they are tangible ; but scientists must go much deeper than this in their solutions of questions.

In his chapter on "Gresham's Law," Mr. Kitson is at his best. Starting from the amply justified historical premise that "the tendency of commerce and of industry is toward cheapness, toward a destruction or abolition of value, as used in the commercial sense," Mr. Kitson so amends Gresham's Law as to make it read : "Cheap money is the best money and drives out dear money." With Mr. Walker he believes that "money is what money does." Cheap money is not, therefore, poor money, for Gresham's Law distinctly shows that the cheaper the money the better it performs the money function. This chapter of Mr. Kitson's on Gresham's Law, hits home, and it is to be hoped that it will be taken up and argued out by the "hard-money men." The author boldly challenges criticism, and well defines the issue. Let us now have the dialectics of the opposition !

On the contrary, Mr. Kitson's chapter on "Usury" seems to me weak. Not that he is altogether on the wrong track, perhaps, nor that his general propositions could not be defended, but rather because he has not gauged the strength of his opponents, if indeed they may even be so called. The Austrian theorists can not be studied entirely from Professor Smart's admirable little book, "An Introduction to the Theory of Value," and I do not find Mr. Kitson referring either to von Wieser's "Natural Value" or Böhm-Bawerk's "Capital and Interest," in the original. The author's exposition of the fallacy of Henry George's argument in favor of interest, is much better ; but then the weight of Henry George's theories does not rest primarily on the question of interest. One can not choose one's own opponent in the field, but must rather accept the challenge from the best.

Finally in regard to the matter of governmental interferences, there is too much reliance placed in Mr. Kitson's book on Herbert Spencer's ideal of a coming era of Industrialism, when individuals shall have equal opportunities, and still the right of property be maintained. It

may be true enough to say : "that financial panics, under our present usurious, monopolistic, monetary system are inevitable," and again, "that the parent of interest and the cause of poverty, involuntary idleness, over-production, general rises and falls in prices, is a monopolized currency ;" but when we conclude, as Mr. Kitson does, "that since these evils which afflict society are directly due to laws, under the fostering care and protection of which they have grown to their present gigantic proportions, their removal is possible only by abolishing all laws restricting, hampering or interfering in any way with the issuance of money," we are off the scientific track entirely and back again on the highroad of agitation.

Mr. Kitson's book is well written throughout. The reasoning is clear and, if one admits the premises, also conclusive ; the examples and quotations are chosen with discrimination, and the language is good. The author need not have resorted to artificial means of emphasis,—in the way of italics, underlining, exclamation points, etc.,—to bring out his points. The conclusions are clear of themselves, and such a copious use of the typographical art, only mars their lucidity.

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*Historical Essays.* By J. B. LIGHTFOOT. Pp. 245. Price, \$1.50. London and New York : Macmillan & Co., 1895.

This collection of papers by the late Bishop of Durham is published under the auspices of the Trustees of the Lightfoot Fund, a legacy of copyrights to the diocese to which the energies of the author had been devoted in life. The contents of the book have found publicity at various times in the form of lectures, but have not hitherto appeared in print. The essays, therefore, bear the marks of their origin, and we are called upon, except in one case, to contemplate popular articles rather than scientific papers.

The five chapters treat of widely different subjects, beginning with "Christian Life in the Second and Third Centuries." The object of the writer was to "exhibit Christianity as an independent force, working in and by itself, without the aid of any extraneous supports or any peculiar advantages." The apostles were now gone and Christianity had not yet been made a state religion, so that whatever success was achieved was due to the vital energy of the religion itself. The social condition of the converts was a constant reproach, the theological tenets of the sect were in direct opposition to the Roman theory of the state, and Christian worship was regarded as an act of treason, yet the doctrine finally overcame all opposition and became supreme.

Such is the well-worn theme, but the Bishop has treated the subject in an interesting manner, particularly at the point where he emphasizes the ubiquity and obtrusiveness of the pagan religion. This was due to the fact that it was addressed so completely to the outward senses. Every act of life, commercial transaction, or household duty was represented by an appropriate deity. Every locality, house, field, stable, farmyard; every sanitary regulation, every virtue, and perhaps every vice, had its patron god. There were the gods of birth to preside over the Roman child, *Edulia* and *Potina* watched its eating and drinking; *Cumina* rocked its cradle; *Farinus* or *Locutus* watched its efforts to talk; *Statina* its attempts to stand. Thus at every point in life the Christians were obliged to break with public sentiment in a way that we can scarcely realize at the present time. Refusal to worship the statue of an Emperor was only an incident in a long line of protests leading to the cry of "Atheists" and final martyrdom. The apologists had done well, but it was the martyrs who won the victory for Christianity.

The essay on the "Comparative Progress of Ancient and Modern Missions" is a reply to the critics who cry that missions are a failure. The author points out that the resemblances between early and later missionary efforts are greater than the differences. They show the same alternations of success and failure, the same ebb and flow of spirit and conquest. The modern critics are too impatient, for they expect the missions to accomplish in fifty years as much as the fathers did in many centuries. The Church should not be disheartened when it looks backward, "for," says the Bishop, "history is an excellent cordial for the drooping courage."

England during the latter half of the thirteenth century is described in an interesting manner in two lectures. It was an age of great sovereigns, great statesmen, great lawyers, philosophers, divines, great poets and painters in all civilized Europe. The writer, however, confines his attention to England. He quotes Macaulay's panegyric of the time, wherein he makes it the beginning of all of England's greatness; the constitution, the common law as a science, the supremacy of the seas, the universities, the English language, all were born, as it were, in the time of Edward I. But the author is surprised that Macaulay did not include architecture and the scholastic philosophy, for these now reached their highest development. The age has been called "precocious," because it attempted more than it could accomplish. This precocity is here ascribed to the stimulation of the Crusades, but many of the aspirations of the time were centuries too early. The greatness of England, such as it did attain to, cannot be measured in population or revenue, for at the highest estimate there were but 2,500,000

inhabitants, or, more probably, only one million and a half. The fame of the century comes from its attainments in culture.

"The Chapel of St. Peter and the Manor House of Auckland," may be called the only work of original research in the book. The essay, however, does not appeal to a wide circle of readers. The devotion of the Bishop to the architectural history of Durham was fitly commemorated by his friends recently, in the restoration, in his name, of the ancient chapter house of Durham Cathedral. This was re-opened in July, 1895.

The essay on "Donne, the Poet Preacher," is a sympathetic treatment of one who, like Lightfoot, had been Dean of St. Paul's, but some three hundred years before him. The friend of Ben Jonson, George Herbert and Izaak Walton, Donne combined the quaint conceptions of the poet with the earnestness of the true preacher, as we may see by the quotations in this paper.

J. M. VINCENT.

*Johns Hopkins University.*

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*Higher Education in Tennessee.* By LUCIUS SALISBURY MERRIAM, Ph. D. Contributions to American Educational History, No. 16, edited by Herbert B. Adams; Bureau of Education, Circular of Information, No. 5. Pp. 287. Washington: Government Printing Office, 1893.

*Blount College and the University of Tennessee.* An Historical Address. By EDWARD T. SANFORD, A. M. Pp. 119. Published by the University, Knoxville, Tenn., 1895.

There are too many "colleges" in Tennessee. Some of them are too generous in conferring degrees; some have too low standards for graduation and low requirements for admission; some have sub-classes; and some appeal to a religious denomination or a locality not for support, but rather for patronage, as though a college might be run for a business profit. The public school system of the State is not yet properly correlated with the colleges, though there has been improvement since the re-organization in 1873.

The State is far from lavish in its appropriations for higher education. All schools profit indirectly by the exemption from taxation of school and college property. The only direct beneficiary is the Peabody Normal College, the annual appropriation for which was raised by the last legislature to \$20,000.

In five cases the State has been made the agent through which the grants of the nation in aid of education have reached the beneficiary. In one conspicuous case, that arising under the Morrill land grant act

of 1862, the whole grant, amounting to nearly \$400,000, was turned over to the University of Tennessee, on two conditions; the University must out of its own meagre funds, provide the equipment required by the terms of the national grant, and in addition give free tuition to two hundred and seventy-five State students.

In the earliest case, in 1806, one hundred thousand acres of land were turned over to the State to be sold at two dollars per acre for the benefit of two colleges to be designated. After some thirty years the colleges settled with the State, having received in all less than \$50,000. Was there culpable negligence in the management of this trust? There are two answers made in Tennessee. A fair conclusion from the facts, as presented by both authors under discussion, is this: The importance of the grant was not appreciated. It was managed by legislatures which reflected the jealousy and positive ill will of their constituents toward the beneficiaries. Mr. Sanford "will not complain" of the action of the State, but he asks whether the State ought not in equity and honor to make good the shrinkage of this and other trust funds under its management. During this period the people generally manifested great opposition to the colleges; and academies and common schools were neglected.

Such are the sombre features to be gathered from a study of the material presented in these books. There are some brighter ones. In the early days some, referred to as the "upper classes," educated their children well at home and sent their sons to the colleges. In these later days are the gifts of the few large benefactors: the Vanderbilts, Fayerweather, Peabody, and Slater, none of them, however, residents of the State. The zeal of devoted denominational leaders in supporting denominational colleges is noticeable, as is also the influence of the great educators of the State of both the earlier and the later generations.

Dr. Merriam's monograph is itself a collection of monographs, chiefly by his own hand. Seven institutions, the University of Nashville, University of Tennessee, Vanderbilt, Cumberland, University of the South, Southwestern Presbyterian and Southwestern Baptist, are treated in separate chapters, which together cover 207 pages. Thirteen other colleges "for males or for both sexes" are comprised in one chapter of eighteen pages. Nineteen "colleges for women" in another of sixteen, and five "colleges for negroes" in one of twenty pages. Six pages are devoted to a supplementary description of the Public School System of the State.

A general survey or summary gathers up the leading considerations suggested by the study of the material. In the first copies issued the "General Survey" occupies five pages (pp. 15-19). But passages

amounting to two pages were omitted from the later copies upon the complaint of some Tennesseans. The expurgation is unfortunate. The statements complained of have been verified by several independent investigators. With one or two exceptions they are deductions from the material which is left undisturbed in the other parts of the book and can be supplied by the reader who will study the pages carefully. The chief exception referred to is the remark that there are many "colleges" in the State not worth the labor of writing up and that the author may have made mistakes in trying to distinguish between those to be included and those to be omitted in a few cases.

There is no conflict of judgment to be noted between Mr. Sanford and Dr. Merriam. The scope of Mr. Sanford's address is more limited. His treatment of the land grant of 1806 is superior by reason of more lengthy citations and more abundant references.

FREDERICK W. MOORE.

*Vanderbilt University.*

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*An Advanced History of England.* By CYRIL RANSOME, M. A.  
Pp. xviii, 1069. Price, \$2.25. London and New York: Macmillan & Co., 1895.

This book has been prepared for the use of students who have mastered the elements of English history, and it is specially designed to be a text-book for advanced study in schools and colleges. It is adapted to practically the same grade of students as Gardiner's "Students' History of England," and Green's "Short History of the English People," though it presupposes less knowledge on the part of its reader than does the latter history, and it gives more details in the description of events and movements than either of the above named works.

The author introduces into the text of his history the exact words of the most important historic documents and, wherever he finds it possible to do so, he analyzes the characters and pivotal actions of the great national heroes by letting them speak for themselves. One of the best features of the book is the biographical part of it. The author has labored, and we believe successfully, to make the great individual figures stand out in clear light, with their distinct character for good or evil, and he shows both the statesman's contributions to the epoch and his relation to and dependence upon the peculiar social environment of the time in which he worked. The gradual development of the constitution, and parliamentary government is well brought out and none of the advanced histories of this grade have succeeded so

well in presenting constitutional and parliamentary history in conjunction with political and social history. The ordinary college student approaches constitutional history with only a vague knowledge of social and political history for a background and the result is far from satisfactory. Constitutional history must rise out of the onward life and development of the people, for no constitutional principle can be understood in the abstract. This book seems to us to give these two phases in good proportion. There has been too much space used in giving the details of battles. It is a just point of criticism, for in a book of this character the student needs a luminous exposition of the causes which led to armed conflict and the distinctive results, which grew out of the decisive battle, but the details of movement and position are useless lumber for him, save in so far as they throw light upon the character of the men who were important figures in the contest.

The sections which bear upon the Church and its controversies with Kings and with Popes are in the main satisfactory, and will enable readers to comprehend the points at issue in these ecclesiastical struggles which have so deeply affected the course of history and the life of the people.

The style in which this new history is written, has nothing about it especially attractive. The sentences are clear and the author's meaning is always apparent, but the book will be read rather for the facts it contains, than because there is any charm in the way in which they are told. The maps are numerous and good for their purpose. Charts of family descent and connection are frequent and are very serviceable. The book is attractive in form and quality, and is a valuable addition to our text-book literature on English history.

RUFUS M. JONES.

*Haverford College, Pa.*

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*Essays in Taxation.* BY EDWIN R. A. SELIGMAN. Pp. 434. Price, \$3.00. New York and London: Macmillan & Co., 1895.

It is probable that most students of the science of finance in this country are in the same frame of mind as the reviewer with regard to this collection of *Essays in Taxation*. Their sense of grateful appreciation to Professor Seligman for the important work he has so well done, and for the assistance he has rendered them in their studies, is so strong as to check any inclination for critical comment. Whether one approve or disapprove the particular conclusions or lines of argument contained in this series of papers, he relies for his opinions, even in larger measure than he is himself conscious, upon the data which Professor Seligman has furnished as the basis of his judgments.



In this sense every review of this collection of essays must be in the nature of an opinion from the pupil to the teacher.

Should I be asked for the chief merits of these essays, most of which have been published separately, I should call attention to the fact, that their perusal leaves upon the reader that sense of satisfaction which comes only from contact with a large collection of well selected and well arranged books, upon the topic in which he is especially interested. A studiously minded person naturally hesitates to express his view upon so complicated a subject as finance, even though he may believe his thought worthy of attention, lest upon its publication he find that he has been repeating arguments of years gone by. The chief service of a great library to a scholar is to liberate him from the tyranny of unknown arguments, and to encourage the utterance of truly worthy thoughts or suggestions; and no more useful work can be done by one who has access to the books than to classify their contents, selecting from each its salient point, and rendering a report of his reading to other students in the same field of investigation who are not so fortunately situated. This is what Professor Seligman has done. Not only in these essays but in other monographs not included in the present collection, and this is why no student of finance, in this country, at least, will feel he has a right to an opinion until he has read whatever Professor Seligman may have written.

Another service rendered by the author is found in his collection of the facts pertaining to the condition of local finances in the United States, and in his critical analysis of these facts. The most marked characteristic of the taxing laws of the States and minor civil divisions is their confusion and lack of harmony; and it is essential that the source of this confusion, as well as its nature, should be made clear before the work of re-adjustment can be carried on in a satisfactory manner. It is indeed a difficult task to classify confusion so as to make it comprehensible and a task which calls for marked critical ability. The writings of Professor Seligman have made considerable advance in this direction, and were I to express any regret in connection with the essays which the author saw fit to select, it would be that he did not think it wise to revise and include in this publication, his article upon "Finance Statistics of the American Commonwealths" which appeared in number eight (1889), of the Publications of the American Statistical Association. It is true that many of the facts stated in this article are found in his treatment of the General Property Tax, the Taxation of Corporations and Double Taxation; but these chapters do not convey so strong a sense of the hopeless confusion which exists in the fiscal conditions of our local governments as when brought together in a single essay.

The essays contained in this collection are thirteen in number. The collection includes most of the author's important contributions to the discussion of taxation, with the exception of his treatise upon "Progressive Taxation" and upon "The Shifting and Incidence of Taxation." In addition to the essays which have appeared from time to time in periodicals, the collection includes several contributions which have not heretofore been published. Although the author in his Preface expresses the hope that the collection "will be found not to be entirely lacking in continuity," it must be acknowledged that the book does not leave upon the reader the impression of a comprehensive or systematic treatise. The book is what it pretends to be, a collection of essays written from time to time upon the subject of taxation.

The third chapter is devoted to a discussion of the Single Tax, and may be classed as one of the few attempts to consider this elusive theory of social regeneration from the financial point of view. The treatment does not seem to me to be entirely satisfactory, and this led me to review in my mind the various attempts at answering Henry George. President Walker's little work, "Land and Its Rent," is far from conclusive; the Duke of Argyll is by no means convincing; and Rae's chapter in "Contemporary Socialism" is no more satisfactory than the others. Does this prove that the Single Tax theory is above criticism? So it would seem to the superficial observer. The truth is, however, that the Henry George scheme has not a sufficient amount of consecutive logical reasoning in it to permit of a consecutive argument against it. One is inclined to regret that Professor Seligman undertook a formal answer to a formless argument.

One of the most significant analyses in the Science of Finance is that which undertakes to make a classification of public revenue. Chapter ix, which treats of this subject, is of especial interest in view of the fact that Professor Seligman saw fit to modify his views as originally expressed upon this subject. It would take too long to state clearly the manner in which the second statement differs from the first. There are, however, one or two points to which I should like to call attention in connection with the classification as finally accepted. All revenue, according to these essays, is either "gratuitous," "contractual," or "compulsory." Under which of these heads, one may inquire, shall revenue in the form of an indemnity or tribute, be classed? It might be said that the state of society for which the classification is made does not recognize tribute and the answer would be satisfactory; but it can hardly be said that revenue by indemnity, or as an award from an international board of arbitration, is becoming less common as the

years go by. From one point of view this might be called compulsory revenue, but this would be to prevent the accepted meaning of that word as used in defining a tax. Again, under the head of compulsory revenue our author includes revenue by eminent domain. One may inquire if the taking of private property for a public purpose according to the principles of eminent domain may properly be classified as revenue at all. Is it not rather a coerced exchange of property?

The chief question which arises in connection with this classification, however, pertains to the use which is made of the term "price." Professor Adolf Wagner conceives that in case a government undertakes an industry the charge made for the service or the commodity sold is in all respects a price, and his discussion adjusts itself to the thought that a government may perform an industrial service in exactly the same way as an individual or a corporation. While Professor Seligman stops short of this extreme statement, he does recognize a "quasi-private price." This position is at least open to question and the opinion is here ventured that better results will be attained by adjusting a science of finance throughout to the conception that all acts of the State, whether industrial or not, rest upon an entirely different basis from acts of individuals or corporations. The chief point at issue between the author and other writers pertains to the recognition of a "fee" as a form of revenue. In this I am inclined to agree with Professor Seligman. Fees are a distinctive form of revenue and wherever legitimately used bring into the foreground a peculiar and characteristic set of relationships.

In general one may say that whatever points in these Essays are open to question, are so, because each essay was written as an independent discussion upon a selected topic. It is quite possible that here and there thoughts have been expressed which would be modified if the requirements of a comprehensive fiscal analysis were held in mind. As a whole this volume constitutes the most important contribution to the science of finance which has thus far appeared from the pen of an American author.

HENRY C. ADAMS.

*University of Michigan.*

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*Studies in Economics.* By WILLIAM SMART, M. A., LL. D. Lecturer on Political Economy in the University of Glasgow. Pp. x, 341. Price, \$2.75. London and New York: Macmillan & Co., 1895.

This book is one of the best fruits of the newer subjective movement in economic science. Professor Smart is one of those fortunate economists who have had large business experience before studying

practical life as a science. In his most abstract thinking he retains his clear grasp of concrete things. He uses the deductive method, not as a mere mental exercise, but as a powerful thought-instrument in the scientific explanation of actual life. These studies will impress theorist and statistician alike with their candor, their sober sense, their keen analytical power, their reliance upon observed fact, their clear and vigorous statement, and, it is hoped, with the general correctness of their conclusions. While relentless in their devotion to fact, they are beautified throughout by a noble sympathy for the less fortunate among men. This sympathy is not a blind or cheap sentimentality. It is a deep and vivid realization of the essential worth and the high capability of human life.

Of these ten essays, five have already appeared, substantially in their present form, in various periodicals, English and American. Four of the ten are studies in "Wages," three in "Currency," and three in "Consumption."

The first essay, entitled "The Standard of Comfort," contains a theory of wages. The object is to effect a reconciliation between the older "cost" theory of wages and the newer "productivity" theory. Along lines of reasoning already made familiar by Professor Smart's translations of Böhm-Bawerk and his own writings, he shows how wages can be fixed only by the value of labor conducted back from the value of the product of labor. It is the "national dividend" or the aggregate of consumption goods "which gives value to the land, the capital and the labor that produce it. It defines the value of the productive factors because it is directly their product. And it limits the value of these factors, inasmuch as that value cannot exceed the value of the dividend."

From this he concludes that the *absolute* value of labor, as well as of the other factors, can only be increased by an increase in the national dividend produced, while the *relative* value of labor may increase, dividend remaining the same, only at the expense of land or capital. It is possible also that labor "may get a double share; that is, may get a larger comparative share, while the share itself is absolutely greater." In all this it is seen that the amount of the national dividend fixes a limit to the rise of wages and profits, which "is no less inflexible that it is unseen." If more of this dividend be spent on the return to capital, less must be spent on wages.

This consideration introduces the conception of "cost." Labor in any line of production has a certain "cost," at any given time, equivalent to the value of its product in another line of production. If in a new country a manufacturer starts a factory, he must count as the cost of labor at least the rate of agricultural wages. The rate of agricultural

wages, which thus figures as a cost and gives value to manufacturing labor, has, it is true, itself been determined by the marginal productivity of the labor in agriculture. But it is a cost which determines the value of labor in manufactures. Consumers cannot get these goods unless they will pay a price which will give to labor at least this cost price.

This is the reconciliation between the cost and the productivity theories of wages. As a cost it determines the value of the manufacturing labor. But its value has itself been determined by its product in agriculture. Professor Smart expressly repudiates that conception of cost which makes it mean the cost of producing the laborer and thus furnishes a basis for a national wage. He also expressly repudiates the conception of cost as pain. This latter idea is fundamental in his system. Work, in his view, is not necessarily a pain. He is optimistic enough to think it not impossible that men may some day have only that amount and kind of work to do which will be in itself purely pleasurable. He recognizes clearly the fact that much of the work of the world is now in itself a pleasure and that all attempts to build a theory of wages based upon the relation between the pain-cost of labor and the value of the product of labor are futile.

The doctrine that the standard of comfort determines wages is true, he claims, to the extent that it corresponds with this "cost price of labor." "The minimum wage which the worker should get is determined by the laborer's standard of comfort, not because the laborer may demand a certain standard and by refusing to accept less may force it from an unwilling employer, but because this standard is what the unconscious working out of the distribution problem by competition puts to the credit of the worker, among the other factors, as his own product." Thus he reconciles Ricardo and Wieser. His law of wages is then, as he himself acknowledges, substantially the same as that of Professor J. B. Clark, "that wages depend on the value that the final unit of labor can create in the general system of affiliated industries."

Professor Smart draws two very important conclusions from his discussions, namely, that this "cost" furnishes "a true irreducible minimum" wage, and that under present conditions wages tend to rise both absolutely and relatively. "Not only is the national dividend larger but the worker gets a larger share of it." The latter proposition he bases upon the fact that wealth is increasing much more rapidly than population.

In this reasoning about the relation of profits to wages we see how Smart is really going back to the principles of Mill and Ricardo. And in the doctrine that the present relatively slow increase of

population as compared with that of capital is giving a relatively larger wage to the worker, we find the neglected side of the theory of population—the truth, namely, that when, as now, the capabilities of the growth of capital outrun those of population, we need not preach damnation to the parents of large families.

The essay entitled “A Mere Commodity” is the best discussion of the nature of money which has appeared in recent years. He shows how misleading is the conception of money as a “mere commodity,” and he gives us the happy definition of money as the “universal commodity.” This essay has already been widely read in the *Fortnightly Review*. It is better therefore to give more extended notice to the second of the studies in currency, bearing the title, “Must Prices Fall?” In an argument of unsurpassed clearness and force he demonstrates that a fall in the general level of prices can result only from a scarcity in the currency. Improvements in production cannot cause a fall in the level of prices, but only in the prices of particular goods. So soon as the improvement is extended to the production of other goods the increase in these goods constitutes a new demand for the increased goods whose price first fell, thus tending to raise it. When the improvements become general, the general increase of all commodities will bring about the same general level of prices as before, assuming equal elasticity of demand in all goods. The assumption is also necessary that these improvements apply equally to the production of the money metal. The fact of a fall in the level of prices shows that the supply of the money metal has not increased *pari passu* with the increase in other commodities.

He claims that the present “cheapness” has benefited only two classes, “the working classes whose money wage is not reduced,” and those to whom are “due debts measured in gold.” And even with reference to these he adds: “But if low prices are coincident with irregular employment, and if the gain of the creditor endangers the solvency of the debtor, even these two classes may find that the balance swings against them.”

In another essay, Professor Smart has a very ingenious explanation of the alleged phenomenon of general “over-production,” in which he claims that the want of expansion of the currency, with expanding industry, presents the same phenomena as partial over-production, and is mistaken for general over-production. I shall not attempt to follow his argument, but wish simply to challenge his statement that general over-production is a contradiction in terms. He says: “There cannot be over-production of things in general for two reasons: first, that, while in comparison with other nations we are rich, we are absolutely, exceedingly poor; and second, that as new wants lead to

new activities, and new activities awaken new wants, there is an infinite field for extending the production of almost everything that satisfies any considerable human desire."

To point out the unlimited possibilities of development in "new wants" and "new activities" in the future does not prove that "general over-production" may not now exist. There are obviously very discernible limits to "wants and desires" as they exist at any given time. The consumptive capacity is limited, by limits physical and intellectual. The total consumptive capacity, physical, intellectual, æsthetic and religious, of the Australian savage is very limited compared with that of the Englishman. If the Australian, his wants and capacity to consume remaining the same, could suddenly be endowed with the productive power of the Englishman and should use it to its full capacity for a single year there would be possible a general over-production of a very considerable kind.

For production under present conditions there are necessary: (1) understanding of the kinds and quantities of goods wanted, and (2) ample productive power. All that would be necessary for a general over-production would be a general over-estimate as to the quantities of goods wanted. There would be a general excess of goods produced which, other things equal, would leave prices unchanged, while every producer would have goods in stock which no one would buy. That this state of things would tend to develop new wants is quite true. But that does not prove that "general over-production is a contradiction in terms." The case stated would leave society with a choice between two things—either to work less or to develop new wants. This is the margin of choice which lies eternally before individuals and races and upon the issue of which depends stagnation or progress. That such a general over-production ever does take place may well be denied. That it is conceivable, however, seems equally certain.

The studies in consumption are particularly fresh and suggestive. He attempts a new definition of the word "wealth" by including, not merely "the sum of exchange values" but those re-arrangements of natural conditions which, by creating "utilities," add to real wealth without increasing "valued assets." "The constant striving of economic progress is toward taking commodities out of the category of values and making them pure utilities like the rain and the sunshine."

The two essays, "New Wealth and Old" and "The Socializing of Consumption," aim to make clear that it is within the power of the owners of wealth to make society generally richer by their mode of consumption. By a wise consumption they may add continually to

the stock of "old" or "parent" wealth while enjoying a fuller stream of new wealth. Capital and consumption goods may be made to increase concurrently. By a wise consumption again they may put wealth in such forms, durable and non-exclusive, that others as well as themselves shall enjoy it. In his treatment of this topic he has contributed much more than his predecessors, Cantillon, Quesnay, Adam Smith and J. S. Mill. In reading, one feels that at last the subject of consumption is being approached from the right standpoint.

The attempt to distinguish between new wealth and old is not always successful. He leaves a sense of vagueness. Sometimes he seems to mean by "wealth," physical quantities, sometimes "utilities" or satisfactions, sometimes simply "values." What then is "old wealth" or capital? Is it concrete things, lands and machinery? Or does it include "conditions" which yield unvalued utilities? Or is it a simple sum of values? Again, what does it mean to "invest" new wealth? In what shape is this new wealth? And how can it be "saved" or thrown back into capital? If it is concrete things, machines, food, materials, to what uses can they be put? If it is a sum of value, does not this abundance of things tend to shrink it, if we try to make capital out of it? The only way of escape is to project our effective want farther into the future and to use these things to produce that which will supply wants more remote. Professor Smart fails to give that definiteness to his explanation of this process which it demands.

I have given this extended notice to Professor Smart's volume because it represents a movement in economic science of the very highest importance. The older economics of Ricardo and Mill looked at economic phenomena too exclusively from a physical standpoint. The Historical School, while giving more place to subjective motives, were yet so strongly under the influence of the evolutionary tendencies of the last half century that the laws of human society were looked at as substantially the same as the laws of organic life. The whole newer movement in economics, so well represented by the Austrian School, by Marshall and Clark and Patten, is rapidly restoring the balance. Human society is the creation of the human will. The motives and choices of individuals are the stuff which constitute the bonds of society. Society is not an "evolutionary" but a teleological structure. The fitness which makes social institutions persist is not that cart-before-the-horse fitness of physical evolution, but the preconceived fitness of economic utility. No writer of the newer school has more forcibly illustrated, than Professor Smart, how necessary it is, if we would understand social causation and development, to take this standpoint of the individual will and explain society and progress in terms of individual economic choice.



Professor Smart has, in these essays, demonstrated admirably the strength of the deductive-analytic method in certain fields of economic science. He has rare skill in seizing typical facts, in bringing them into relation with each other in such a way as to reach sound general law. His method does not involve ignorance of fact, or neglect of fact, for he shows everywhere that his typical fact is chosen because it is a well ascertained fact.

His work shows the synthetic tendency in the latest economics, a tendency to so use the results of particular research advocated by the historical school that the laws of the classical writers, so far as they contain truth for the present, can be restated in the setting of our new facts. In this way it is seen that the work of the classical school is not obsolete. There is a vital continuity running through their works, through the work of the historical school, and through the efforts of the Austrians. Writers like Smart are combining the strength in all these tendencies into a new method and a new science.

Some of the specific influences which have helped to form his work he himself mentions, his early and extensive business experience, his fondness for Ruskin and Carlyle, and his studies in the Austrian writers. Love for fact, keenness and power in constructive reasoning, and a spirit of broad humanity are all conspicuous traits of the writer. Add to these a terse, clear style, easy in movement, luminous in diction, ample, but never superfluous in content—the result is work of high merit. Little of importance can be said of it, which is not praise.

*Johns Hopkins University.*

SIDNEY SHERWOOD.

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*Money and Banking.* Illustrated by American History. By HORACE WHITE. Pp. 488. Price, \$1.50. Boston: Ginn & Co., 1895.

Horace White has done for banking in the United States a work similar in some respects to that done by Mr. Breckenridge for banking in Canada. Mr. White's "Money and Banking," while not so thorough a treatise as Mr. Breckenridge's, has the advantage of a clear and taking style, is compact and well arranged, and its information is made accessible by an index. The book is divided into two parts. The first treats of the evolution of money and of the world's experience with the gold standard. The second treats of representative money, under this head being included all forms of fiat money and bank note issues. In the appendices are given accounts of bimetallist movements in Germany, a sketch of Mr. Shaw's "History of Currency," the Baltimore plan, and Secretary Carlisle's plan for revision of the national banking law, the gold price of greenbacks during suspension of specie payments, and the Gresham law. A handy bibliography closes the volume.

Mr. White's work deserves commendation principally on account of the clear light which he throws upon the banking question. His descriptions of the functions of a bank, of the clearing house system, and of American banking before and since the Revolution, all comprised within two hundred pages, make a story which can be comprehended by a high school boy. It is a story which should be familiar to every educated American citizen, and has never been better told than by Mr. White. He finds more to praise than to condemn in the plan on which the first and second banks of the United States were established, and unlike some historians attributes the disasters and scandals connected with the operations of these banks, not to unsound banking, but rather to political interference. These chapters will be interesting to persons who wish now to extend the banking functions of the National Treasury.

Mr. White describes in some detail the conditions which gave rise to the method of redemption adopted by the famous Suffolk bank. In his opinion the experience of Massachusetts has furnished almost conclusive evidence that the "Banking Principle," when safeguarded by provisions that have stood the test of experience, will yield the safest, soundest and most useful system of banking. The business of banking in New York, he shows, resulted in placing the stamp of approval on the safety fund system, and Mr. White is pretty clearly of the opinion that the best system of banking for this or any country must comprise the advantage of the Suffolk system and the safety fund. He describes the national banking system and gives a qualified approval of the Baltimore plan, believing that it embodies the essential features of the Canadian system. This plan, however, does not make any provision for a branch banking system and does make the bank-note practically a legal tender to all banks, inasmuch as their redemption is guaranteed by the United States. Evidently, therefore, there is lacking in this plan that feature of the Canadian system which secures the daily redemption of notes and the constant supervision of banking operations by the most competent inspectors, namely, the bankers themselves. As Mr. White remarks, however, we cannot hope to perfect our system by one act, but must be satisfied with gradual improvements. Nevertheless we must not lose sight of the danger that lurks in an unsecured circulation. If the banking laws of this country are to be revised, no safeguards that have stood the tests of experience should be ignored. The banking principle may, indeed, be the soundest, yet if adopted under circumstances which render unnecessary a development of those natural safeguards which make it sound, it may open the door wide for rascality.

Mr. White's treatment of money errs on the side of dogmatism. He

belongs to the extreme wing of the monometallic school, which practically declines to combat the arguments for bimetallism on the ground that there are no arguments to combat. His discussion of money, therefore, is in the main an exposition of the advantages of the gold standard. It is really a special plea for that standard, yet a pretense is made to the statement and consideration of adverse arguments, just enough, perhaps, to convince the general and uninformed reader that he has both sides of the case before him. Mr. White has undoubtedly tried to be fair in his statement of the bimetallics' contention, yet he is so thoroughly convinced of its worthlessness that he cannot patiently or respectfully consider it.

Recognizing the fact that the bimetallic theory rests upon the so-called quantity theory of money, Mr. White devotes one chapter to its demolition. The thing which he demolishes, however, is not the quantity theory at all, but the notion that prices must rise or fall as the volume of money increases or decreases. No such conclusion is deducible from the quantity theory as set forth by any recent writer of repute, and the theory is certainly not to be condemned because some people misunderstand and misuse it. An uninformed reader will get the impression from Mr. White's chapter that the quantity theory lacks the support of scientific authority. General Walker and his father are the only economists who are mentioned as its advocates. Why omit the name of John Stuart Mill? He declared: "That an increase in the quantity of money raises prices, and a diminution lowers them, is the most elementary proposition in the theory of currency, and without it we should have no key to any of the others." Every student of Mill knows with what thoroughness he pointed out the "cautions with which the principle must be guarded in attempting to make use of it for the practical explanation of phenomena." Mill, as does Walker also, recognized fully the effect of credit and demand upon prices, and the impossibility of a precise estimate of their effect. Mr. White condemns the theory because of these indeterminate factors—credit and demand—but he offers no substitute, except the general statement that money is a commodity and that "all trade is barter, even when the precious metals are employed as intermediaries."

When Mr. White gets into "the practical explanation of phenomena" he completely forgets his theoretical scorn of the quantity theory. For instance, in opening his discussion of paper money he remarks that money is "an instrument of exchange," and "there may be too many or too few of these instruments at any time or place, as there may be too many or too few carts or wheelbarrows." Hence, if a government issues \$100,000 paper money, and "if the conditions of trade and industry remain the same, there will now be 100,000 too

many instruments of exchange and the surplus will be exported." That is about as bold a deduction from the quantity theory as can be conceived. Again, praising the "Bullion Report," he says that it proved, "with as much certainty as any proposition in Euclid, that the paper currency had depreciated, and that the depreciation was due to its redundancy." Such a claim for the quantity theory it is doubtful if General Walker himself would make. Mr. White is, in reality, an adherent of the quantitative school of theorists, although he does not seem to be aware of the fact. On page 119, he says: "Barring public alarm and apprehension, the value of the currency [he is discussing paper money] will be governed by the law of supply and demand, *i. e.*, the supply of and the demand for instruments of exchange." And on page 197, discussing the purchasing power of greenbacks in 1869 and 1870, he says: "The supply of instruments of exchange was the same at both periods, but the demand for them was greater at the second period than at the first. For this reason they gained in value to the extent of about 15 per cent." Such instances of reliance upon the theory of demand and supply, of which "quantity theory" is only another name, recur frequently in the book, and one is led to wonder why the author should make such vigorous assault upon it.

It would appear that Mr. White dislikes the quantity theory mainly because of the friends it has made. It is the mainstay of bimetallism, and in this country of late the advocates of the free coinage of silver have made constant and marvelous use of it. As a believer in the gold standard during troublous times, Mr. White has doubtless grown weary of hearing the enemy always harping on the "quantity theory," and has concluded that the best way to silence them is to kill off the theory. That would be all right, of course, if as an expounder of monetary phenomena he did not forget that the theory is dead. But while as an advocate he has killed the quantity theory, yet as a historian he gives it the respect due to the most exact of mathematical sciences.

It is hardly fair to assume, as the author does in discussing India, that silver has declined in value merely because its gold price has fallen. He calmly makes this assumption, however, and then easily proves that India's wage-earners must have suffered in consequence. To anticipate the objection that the purchasing power of wages has not changed in India, he declares that the evidence shows that "during recent years the silver price of Indian produce has risen" and that rice has "more than doubled in price since the rupee began to fall." In support of these assertions he refers to the testimony of a witness before Lord Herschell's committee in 1892.

However, it was hardly fair for Mr. White to omit to say that the evidence submitted convinced the committee that the price level in India had not been much changed during the last twenty years, although there had been some advance in very recent years; and as for rice, witnesses on all sides agreed that its price was regulated by a monopoly, so that the price of rice in gold-using countries has been kept steady. Such was the testimony of Sir Charles E. Bernard, an officer of the Indian government, and he is abundantly corroborated by other witnesses. But Mr. White appears to be so anxious to win the reader over to unquestioning faith in the gold standard, that he neglects to tell all the truth about India. Likewise, when discussing the contention that an "alleged fall of prices" has been caused by the single gold standard, he quotes with emphatic approval the report of the Senate Committee on Finance, which showed that wages and prices have risen since 1873, and then, although accepting this report as authoritative, denies that there has been any appreciation of gold. And this denial immediately follows two paragraphs devoted to proving that low prices are beneficial to mankind and generally acceptable, as is indicated by the fact that "all who advertise in the newspapers proclaim low prices." "Is it possible," asks the author, "that these advertisers misconceive the public interests?"

I am under no temptation to quarrel with the author's conclusions respecting the maintenance of the gold standard in this country. He does not "misconceive the public interest" concerning the main issue, but his book, or that part of it treating of money, is not likely to win friends for the gold standard. It is just the kind of a plea for the gold standard which will do harm at the present time, for the public are still debating the question, and the man who relies upon this book for his argument will surely meet with discomfiture in the forum. From every other point of view, however, it is admirably conceived and executed. It is not a history of American experiments with the currency, yet it describes with great clearness those experiments which have been most instructive and possess greatest significance at the present time. In no other book do we find so compact and intelligible chapters on the monetary and financial expedients adopted during the War of the Rebellion by the Federal Government and by the Southern Confederacy. There is a vivid description of the "gold room," a good summary of the Legal Tender Decisions, and a clear discussion of recent financial exigencies. In short, Mr. White has proved himself an entertaining and useful historian, and it is a pity that he has suffered theory and dialectics to spoil his good work.

JOSEPH FRENCH JOHNSON.

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*The Mississippi Basin: The Struggle in America between England and France, 1697-1763.* With full cartographical illustrations from contemporary sources. By JUSTIN WINSOR. Pp. ix, 464. Price, \$4.00. Boston: Houghton, Mifflin & Co., 1895.

In dedicating his recent book to Clements Robert Markham, President of the Royal Geographical Society, Mr. Winsor honors a man, who, like himself, "knows how the physiography of a continent influences its history, how it opens avenues of discovery, directs lines of settlement and gives to the natural rulers of the earth their coigne of vantage." Though there may be other compelling influences, he deems no other control so steady.

This book is a continuation of the series opened by "Cartier to Frontenac," with which it is uniform in size and style. Naturally it is a history not so much of discovery as of struggle, a record not of plotting rivers and mountain ranges but of re-adjusting political boundaries.

At the beginning of this epoch the English occupied simply the strip of territory east of the Alleghanies stretching from Acadia to Spanish Florida, but under the "sea-to-sea" charters the English insisted on territorial rights extending westward to the New Albion of Drake. The French held the mouths of the two great waterways; they had explored the St. Lawrence system, and La Salle had followed the Mississippi to the Gulf. The French claimed that the right of discovery entitled them to the basins drained by these great rivers. From such clashing claims nothing but conflict could ensue. This book is devoted to setting forth the protracted and complicated struggles between the races for the prize of the great inland plain, struggles which ended in the conquest of Canada by the English, and in the establishment of their claims to territory as far west as the Mississippi.

The details of these operations could not fail to be perplexing, but the broad lines of policy are clear. Among the most interesting topics are the contrasts between the English and French as colonists and as traders with the Indians, especially in their land policy: "John Law and the Mississippi Bubble;" "The Albany Congress;" "Braddock's Campaign;" and "The Winning of the Ohio and St. Lawrence in 1758-9." The English royal generals are made to cut a sorry figure in comparison with their French rivals. Yet the blame for the early inefficiency is not attributed entirely to their "fussy imbecility;" the record of inertia and discord among the colonists is not inspiring.

Contemporary maps are rather less numerous than in the earlier book. A few modern charts have been inserted; it may be questioned whether in a book so crammed with geographical data several comprehensive present-day charts would not save the reader much reference

to the atlas, and add to his intelligent interest in the "full cartographical illustrations from contemporary sources," without bringing him into that "bondage to the modern map" which Freeman so deplored.

The purist will meet with some surprises. He may think that a few such words as "fundament," "abided" and "vagabondish" deserve, as Mr. Winsor would say, to be "re-Englished."

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*The Poor in Great Cities, Their Problems and What is Doing to Solve Them.* BY ROBERT A. WOODS, W. T. ELSING, JACOB A. RIIS, WILLARD PARSONS, EVERETT J. WENDELL, ERNEST FLAGG, WILLIAM JEWETT TUCKER, JOSEPH KIRKLAND, SIR WALTER BESANT, EDMUND R. SPEARMAN, JESSIE WHITE MARIO and OSCAR CRAIG. Pp. xxi, 400. Price, \$3.00. New York: Charles Scribner's Sons, 1895.

Most serious students of social science will misjudge this volume at the first glance because of its outward appearance. That such pre-judgment is not justified becomes apparent as soon as one begins to read in this interesting collection of essays.

This volume makes no pretense at being a solid, scientific treatise on poverty and pauperism. There is no connection between the several papers except that they all deal with some feature of city poverty, and the order of arrangement is confusing. We are first told about "The Social Awakening in London," by Mr. Woods. Then we pass over to America and view "Life in New York Tenement Houses, as Seen by a City Missionary," Rev. William T. Elsing; see "The Children of the Poor," as described by Mr. Riis; are then told "The Story of the Fresh-Air Fund," by Mr. Willard Parsons and the history of the "Boys' Clubs in New York," by Mr. E. J. Wendell. President William J. Tucker follows and describes "The Work of Andover House in Boston," and Mr. Joseph Kirkland relates what has been done "Among the Poor of Chicago." We are then again transported to England to "A Riverside Parish" of London, which Sir Walter Besant delineates. After Mr. Spearman's account of the "School for Street Arabs" in Paris comes a description by Miss Mario of the life of "The Poor in Naples." Returning to New York the reader is told about "The Agencies for the Prevention of Pauperism," by the late Mr. Oscar Craig and following this comes a second paper on "The New York Tenement House Evil and Its Cure," by Mr. Ernest Flagg. To a greater or less degree each writer deals with similar phases and reiterates observations, arguments and proposals given by

the other authors. Nor are their views always in harmony. One traces the causes of poverty and pauperism to defects of individual character, mental and physical. Another discovers most of them in the social and economic environment of the poor. The writers vary greatly in the matter of style. Some are easy masters of a lucid, flowing, well-ordered narrative; others are not. Some are widely known as authors and students of social problems and others appear here for the first time. Some of the authors see little else but sorrow, misery, vice, crime and grinding toil in the average life of our city poor. Others while fully aware of all these terrible conditions see much that is cheerful, much that indicates improvement and enlightenment, and a gradual bettering of things in the slums. The social horizon of London from every point of view, says Mr. Woods, is bright with encouragement and glowing with the magnificent achievements of the recent great social awakening.

One of the most interesting and instructive papers in this volume for the American reader is that by Rev. William T. Elsing on the tenement houses of New York. Dr. Elsing speaks with authority. Nine years of life and work among the people of the East Side of lower New York have made him familiar with all the details of his subject. He writes with feeling, but he always expresses himself with marked discretion and commendable moderation.

Speaking of the tenement houses, he says: "To many persons, living in a tenement house is synonymous with living in the slums, yet nothing is farther from the truth. It would be an easy matter for me to take a stranger into a dozen or more homes so poor, dirty, and wretched that he would not forget the sight for days, and he would be thoroughly convinced that a home cannot exist in a tenement house; but I could take that same person to an equal number of homes in the same section of the city, and sometimes in the same house, which would turn him into a joyful optimist and forever satisfy him that the state of things is not by any means as bad as it might be." (Pp. 45-46.) It is refreshing and novel to read his sensible remarks defending the traditional monster, the landlord. "The landlords are of necessity compelled to be peremptory and sometimes arbitrary in their demands. If a landlord were even a little too lenient his tenement property would certainly prove a losing investment. The apparently unreasonable harshness of many landlords is often justifiable, and the only means of securing them against loss." All who have any real knowledge whatever of the character of the average poor know how just are these observations.

Mr. Elsing offers several suggestions that he believes could be carried out with substantial and beneficial results by those who are



striving to improve the conditions of life among the poor. He does not offer them as "remedies" but simply as helps. They are : first, increase of room, sunshine and air in tenement houses ; second, increase of small parks ; third, better house construction and sanitation ; fourth, the regeneration of the saloon by removing its objectionable features and making it a reputable social club house ; fifth, erection of bath houses ; sixth, formation of a " universal loan association ;" seventh, provision of trained nurses ; eighth, " greater co-operation among all good men."

FRANK I. HERRIOTT.

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[Noticed in current number of *ANNALS*. P. 126.]

*Practical Christian Sociology. A Series of Special Lectures before Princeton Theological Seminary and Marietta College, with Supplemental Notes and Appendices.* By Rev. WILBUR F. CRAFTS, Ph. D. With an Introduction by JOSEPH COOK, LL. D. Pp. 524. Price, \$1.50. New York : Funk, Wagnalls & Co., 1895.

[Reviewed in January, 1896, *ANNALS*. Vol. vii. P. 104.]

*Corso di Sociologia. Vol. I. Sociologia generale.* By ANTONINO DE BELLA. Pp. xvi, 206. Price, 8 lire. Published at Nicotera (Calabria), Italy, 1895.

[This volume contains a condensed outline of a system of sociology based on biological analogies. In the chief divisions entitled, "Elementary Physiology," "Physiology of Complete Organs," "Social Psychology," "Social Pathology," "Social Physics" and "The Data of Sociology," the author devotes the largest part of his space to calling attention to and in attempts to prove his analogies. One of the longest chapters is devoted to a physiological discussion of Malthusianism.]

*The Labour Annual. Second year, 1896. A Year-Book of Social, Economic and Political Reform.* Edited by JOSEPH EDWARDS. Pp. 256. Price, paper, 1s.; cloth, 2s. London : Clarion Co., 1896.

[An excellent manual and record of conventions, meetings and all that pertains to labor interests in England, with many references to foreign countries.]

Beiträge zur Lösung des Verbrecherproblems. By JOHANNES JÄGER. Pp. 185. Erlangen: Fr. Junge, 1895.

Nationale Wohnungsreform. By PAUL LECHLER. Mit einem Sonderabdruck aus "Deutsche Kern-und Zeitfragen." Neue folge, Von A. Schäffle. Pp. 93. Berlin: Ernst Hofmann & Co., 1895.

[Two essays dealing with the growing need for more dwellings in Germany, especially in the large cities, and particularly for the working classes of the population. The question of government aid in building suitable houses and establishing colonies near the large cities with reduced rates of transportation is discussed in its various bearings.]

Factory Legislation in New England. Its Tendencies and Effects. Its Legal and Economic Aspect. By S. N. D. NORTH. Pp. 69. Pamphlet Reprinted by the Arkwright Club from the Bulletin of the National Association of Wool Manufacturers, 1895.

Government and Religion of the Virginia Indians. By SAMUEL RIVERS HENDREN. Johns Hopkins University Studies. Series XIII, Nos. 11-12. Pp. 63. Price, 50 cents. Baltimore: Johns Hopkins Press, 1895.

Buckle and His Critics: a Study in Sociology. By JOHN MACKINNON ROBERTSON. Pp. 565. Price, 10s. 6d. London: Swan, Sonnenschein & Co., 1895.

[This work is constructive as well as critical. Buckle is defended with one hand, while with the other his "real errors" are laid bare. In a chapter on "The Development of Sociology" the author explains his own theory of social evolution.]

The Tribal System in Wales; Being Part of an Inquiry into the Structure and Methods of Tribal Society. By FREDERIC SEEBOHM, LL. D. Pp. 238, III. Price, \$4.00. London and New York: Longmans, Green & Co., 1895.

[A valuable contribution to the literature dealing with different types of social organization, based upon original and, to most students, inaccessible sources.]

Social England. A Record of the Progress of the People in Religion, Laws, Arts, Industry, Commerce, Science, Literature and Manners from the Earliest Times to the Present Day. From the Accession of James I. to the Death of Anne. Pp. 632. Price, \$3.50. Vol. IV. Edited by H. D. TRAILL. New York: G. P. Putnam's Sons. London: Cassell Company, 1895.

Geschichte des Socialismus und Communismus im 19 Jahrhundert. III. Abteilung: Louis Blanc. By Dr. OTTO WARSCHAUER. Pp. 163. Berlin: Hermann Bahr, 1896.



[This is the third volume in a very interesting series of historical monographs dealing with some of the leaders of socialistic movements in this century. The present number takes up Louis Blanc in a biographical way and gives a discussion of the national workshops. Over forty pages are devoted to a criticism of the movement with which Louis Blanc was identified.]

**Our Industrial Utopia and Its Unhappy Citizens.** By DAVID HILTON WHEELER. Pp. 344. Price, \$1.25. Chicago: A. C. McClurg & Co., 1895.

## MISCELLANY.

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### AMERICAN ECONOMIC ASSOCIATION AND POLITICAL SCIENCE ASSOCIATION OF THE CENTRAL STATES.

The American Economic Association and the Political Science Association of the Central States held a joint meeting at Indianapolis, from December 27, 1895, to January 2, 1896. The following is the official program of the scientific sessions of the two associations :

#### AMERICAN ECONOMIC ASSOCIATION.

FRIDAY, DECEMBER 27—Evening Session, 8 p. m.

- I. Address of Welcome,  
Governor MATHEWS.
- II. Response by the President of the Association.
- III. President's Annual Address : "The Pure Theory of Economic Progress,"  
Professor JOHN B. CLARK, Columbia College.

SATURDAY, DECEMBER 28—Morning Session, 10 a. m.

Symposium.—The Relation of Changes in the Volume of the Currency to Prosperity.

Papers by Professor IRVING FISHER, Yale University, and President FRANCIS A. WALKER, Massachusetts Institute of Technology. Brief addresses by Professors WILLARD FISHER and EDWARD A. ROSS.

Afternoon Session, 3 p. m.

Symposium.—The Practicability and Desirability for the Commercial World of a Double Standard of Currency.

Papers by General A. J. WARNER, President of the American Bimetallic League, and Professor F. W. TAUSSIG, Harvard University. Brief addresses by Professors W. A. SCOTT, H. W. FARNAM, SIDNEY SHERWOOD and JOHN H. GRAY.

MONDAY, DECEMBER 30—Morning Session, 10 a. m.

- I. Do We Want an Elastic Currency?  
Professor F. M. TAYLOR, University of Michigan.
- II. The Desirability of a Permanent Census Bureau,  
Professor RICHMOND MAYO-SMITH, Columbia College.

- III. The Density of Population in the United States in 1890,  
Professor WALTER F. WILLCOX, Cornell University.

Afternoon Session, 3 p. m.

- I. Some Unpublished Letters of David Ricardo,  
Dr. J. H. HOLLANDER, Johns Hopkins University.
- II. The Formulation of Normal Laws with Especial Reference to the  
Theory of Utility,  
Professor SIMON N. PATTEN, University of Pennsylvania.
- III. Pawn Shops and Their Work in Cincinnati,  
H. A. MILLIS, Fellow in Economics, Indiana State University.
- IV. The Fallacy of Saving,  
Dr. H. R. SEAGER, University of Pennsylvania.

POLITICAL SCIENCE ASSOCIATION OF THE CENTRAL STATES.

MONDAY, DECEMBER 30—Evening Session, 8 p. m.

President's Annual Address : "The Scope of Sociology,"

Professor ALBION W. SMALL, University of Chicago, First  
Vice-President.

AMERICAN ECONOMIC ASSOCIATION—POLITICAL SCIENCE ASSOCIATION.  
(Joint Session.)

TUESDAY, DECEMBER 31—Morning Session, 10 a. m.

Symposium.—The Sphere of Voluntary Organization in Social Movements.

Papers by Professor F. H. GIDDINGS, Columbia College (A. E. A.), and Professor C. A. HENDERSON, University of Chicago (P. S. A.). Discussion by Professor LESTER F. WARD and Professor H. H. POWERS, for the Economic Association, and Professor GRAHAM TAYLOR, Hon. WILLIAM D. FOULKE, and President J. H. FINLEY, for the Political Science Association.

Afternoon Session, 2.30 p. m.

Symposium.—Present Obstacles to the Adoption of Business Methods in Municipal Administration.

Papers by Hon. FRANKLIN MCVEAGH, Chicago, Ill. (P. S. A.), and CLINTON ROGERS WOODRUFF, Secretary of the National Municipal League (A. E. A.). Discussion by Professor JOHN H. GRAY, for the Political Science Association, and Professor J. W. JENKS, Professor J. R. COMMONS and Dr. E. W. BEMIS, for the American Economic Association.

## POLITICAL SCIENCE ASSOCIATION OF THE CENTRAL STATES.

WEDNESDAY, JANUARY 1, 1896—Morning Session, 10 a. m.

- I. Mirabeau a Victim of the *Lettres de Cachet*,  
Professor FRED M. FLING, University of Nebraska.
- II. The Worship of Reason in Paris during the Reign of Terror,  
Professor HENRY E. BOURNE, Western Reserve University.
- III. History and Geography,  
Professor U. G. WEATHERLY, University of Indiana.

Afternoon Session, 2.30 p. m.

- I. The Ohio River as a Gateway to the West,  
REUBEN G. THWAITES, ESQ., Secretary Wisconsin Historical Society.
- II. James Wilson and the Philadelphia Convention,  
Professor A. C. McLAUGHLIN, University of Michigan.
- III. The Earliest American Essay on Proportional Representation,  
Professor EDMUND J. JAMES, University of Chicago.
- IV. The Development of the Republican Party, 1789-1805, Geographically Considered,  
Dr. O. G. LIBBY, University of Wisconsin.

THURSDAY, JANUARY 2—Morning Session, 9.30 a. m.

Symposium.—How may Collegiate and University Instruction in History, Economics, Political Science and Sociology be made more Effective for Good Citizenship.

Papers by Professor JOHN J. HALSEY, Lake Forest University, and Professor FREDERICK C. HICKS, University of Missouri.

Owing to the absence of some of the members of the Political Science Association, it was found possible to shorten the session somewhat without departing materially from the above program.

As the titles of the papers indicate, the money question was that which was foremost in the minds of the economists. The treatment of this question during the sessions of December 28 and 30, and through informal discussions on the Sunday intervening, was most exhaustive—not to say exhausting. Nearly every shade of opinion was ably represented, and this served to make this session one of the most instructive the association has ever held. The meetings were well attended and there was an unexpectedly large delegation of Eastern members of the American Economic Association present.

The council of this association held several meetings during the session. The following officers were elected for the coming year: President, Professor Henry C. Adams, University of Michigan; Vice-Presidents, Professors Franklin H. Giddings, Columbia College; E. R.

L. Gould, Chicago University, and Roland P. Falkner, University of Pennsylvania; Secretary, Professor J. W. Jenks, Cornell University; Treasurer, Professor Charles H. Hull, Cornell University; Publication Committee: Professors F. W. Taussig, Harvard University, Chairman; Sidney Sherwood, Johns Hopkins University; Mr. John G. Brooks, Cambridge; Professors, H. H. Powers, Stanford University; Davis R. Dewey, Massachusetts Institute of Technology, and W. A. Scott, University of Wisconsin. Members of the Council elected are as follows: (a) term of office expiring 1898, President F. A. Walker, Massachusetts Institute of Technology; Professor John Cummings, Harvard University; Professor Frederick C. Clark, Ohio State University; Professor E. A. Ross, Stanford University; Professor W. A. Scott, University of Wisconsin; Professor W. F. Willcox, Cornell University; Professor F. W. Moore, Vanderbilt University, and in addition, all old members whose term expired 1895; (b) term of office expiring 1897, Professor Willard Fisher, Wesleyan University; Professor J. J. McNulty, College of the City of New York; Dr. Chas. J. Bullock, Cornell University; (c) term of office expiring 1896, Professor Francis Walker, Colorado College; Professor John F. Crowell, Smith College; Professor J. W. Crook, Amherst College; Professor Irving Fisher, Yale University.

The following resolutions relating to the publications of the American Economic Association were adopted by the Council:—

(1) The association shall issue a series of short studies, original or reprinted, not less than six a year nor more than twelve, in which practical questions shall be discussed.

(2) The publication committee shall consist of six members, two of whom shall be elected each year.

Also the following resolutions relating to the United States census: *Resolved*, that the American Economic Association express its sympathy with all efforts to improve census methods in the United States; and that the president appoint a committee to promote, if possible, an effective co-operation with the United States authorities in the plans and methods of future census operations. *Resolved*, that the American Statistical Association be invited to appoint a like committee to act with the committee of the American Economic Association.

No definite decision was arrived at as to the place of meeting for next year, but Nashville was the city most prominently mentioned in this connection.

The following is as complete a list of the members present at the meetings as can be given:

Professor Edw. W. Bemis, Chicago; Dr. A. F. Bentley, Chicago; Mr. Warren Bigler, Wabash, Ind.; Professor T. N. Carver, Oberlin

College; Professor R. C. Chapin, Beloit College; Professor F. C. Clark, Ohio State University; Professor J. B. Clark, Columbia College; Professor J. P. Cushing, Knox College; Professor W. M. Daniels, Princeton College; Professor R. P. Falkner, University of Pennsylvania; Professor H. W. Farnam, Yale University; Professor F. Fetter, University of Indiana; Professor Irving Fisher, Yale University; Professor Willard Fisher, Wesleyan University; Professor W. W. Folwell, University of Minnesota; Professor John H. Gray, Northwestern University; Professor E. R. L. Gould, University of Chicago; Mr. J. C. Hagerty, Laporte, Ind.; Professor C. R. Henderson, University of Chicago; Dr. J. H. Hollander, Johns Hopkins University; Professor C. H. Hull, Cornell University; Mr. C. M. Hubbard, Cincinnati; Professor J. W. Jenks, Cornell University; Professor George W. Knight, Ohio State University; Dr. S. M. Lindsay, University of Pennsylvania; Professor Richmond Mayo-Smith, Columbia College; Professor J. J. McNulty, College of the City of New York; Mr. H. A. Millis, Cincinnati; Professor F. W. Moore, Vanderbilt University; Mr. W. H. Motsinger, Shoals, Ind.; Mr. Charles R. Murphy, Decatur, Ills.; Professor Simon N. Patten, University of Pennsylvania; Professor H. H. Powers, Leland Stanford Jr. University; Professor Edward Alsworth Ross, Leland Stanford Jr. University; Miss Alice M. Schoff, Cincinnati; Professor Wm. A. Scott, University of Wisconsin; Dr. H. R. Seager, University of Pennsylvania; Mr. R. P. Shepherd, Hiram, O.; Professor Sidney Sherwood, Johns Hopkins University; Professor F. W. Taussig, Harvard University; Professor F. M. Taylor, University of Michigan; Professor W. G. L. Taylor, University of Nebraska; Mr. Reuben G. Thwaites, University of Wisconsin; Professor C. W. Tooke, University of Illinois; Professor C. A. Tuttle, Wabash College; Mr. F. J. Van Voorhis, Indianapolis; General A. J. Warner, Marietta, Ohio; Professor L. F. Ward, Smithsonian Institution; Professor J. R. Weaver, De Pauw University; Professor W. F. Willcox, Cornell University; Professor J. A. Woodburn, University of Indiana; Professor A. Yager, Georgetown, Ky.

HENRY R. SEAGER.

*University of Pennsylvania.*

## NOTES ON MUNICIPAL GOVERNMENT.

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[This department of the *ANNALS* will endeavor to place before the members of the Academy matters of interest which serve to illustrate the municipal activity of the larger cities of Europe and America. Among the contributors are James W. Pryor, Esq., Secretary City Club, New York City; Sylvester Baxter, Esq., Boston *Herald*, Boston; Samuel B. Capen, Esq., President Municipal League, Boston; A. L. Crocker, Esq., President Board of Trade, Minneapolis; Victor Rosewater, Ph. D., Omaha *Bee*, Omaha; Professor John Henry Gray, Chairman Committee on Municipal Affairs, Civic Federation, Chicago; Jerome H. Raymond, Ph. D., University of Wisconsin; F. L. Siddons, Esq., Washington, D. C.; Donald B. MacLaurin, Esq., President Civic Federation, Detroit, Mich.; Professor A. C. Richardson, Buffalo, N. Y.; M. B. May, Esq., Cincinnati, Ohio; W. B. Spencer, Esq., New Orleans; William H. Parry, Esq., Comptroller City of Seattle, Wash.]

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### AMERICAN CITIES.

**New York.**—The two commissions appointed by the Governor to frame general charters for cities of the second and third classes have been busily engaged in preparing their reports for the present session of the Legislature. The necessity for the codification of the present legislation relating to cities of these classes was a logical outcome of the constitutional amendments of 1895, which greatly modified the system of special legislation for cities by adopting a distinction between general and special city laws. The Constitution divides the cities of the State into three classes—those with a population of 250,000, or over, constituting the first class; those with a population between 50,000 and 250,000, the second, and those with a population less than 50,000, the third. The term “special city law” is defined in the Constitution as one which applies to less than all the cities of a class. Such laws must first be submitted to the city or cities to which they relate and, if rejected by such city, must again be passed by both branches of the Legislature. Up to the present time every city has received a special charter and the great diversity of legislation on this subject makes it exceedingly difficult for the Legislature to determine the exact effect of legislation for cities. The commissions that have been at work upon these subjects have gone beyond mere consolidation and codification and have considered the question of the most desirable form of charter for such cities. The commission charged with the consideration of cities of the second class has been seriously considering whether it would be possible to change the ordinary system of municipal incorporation by substituting a general for the

usual specific grant of powers to cities of that class, in other words, to give to the municipality unrestricted power within the limits of State law. This means the adoption of a system of incorporation similar in many respects to the German system. It is extremely doubtful whether the courts would so far depart from their present attitude as to give full effect to a plan of this nature.

*Municipal Government Board.* One of the results of this readjustment of municipal legislation in New York State is a proposition of the Hon. Frederick W. Holls, to establish a State Municipal Board of Control. A bill embodying this idea has been framed and is to be presented at the present session of the Legislature. The principle of this plan is one which is beginning to receive recognition in some of the American States and which has already been fully developed in England and Germany. It means the substitution of a system of administrative control for the present uncertain central control exercised directly by the State Legislature. The contrast between the two systems is clearly brought out in Professor Goodnow's work on "Municipal Home Rule." The first steps in this development in the United States are described in Professor Commons' paper in the ANNALS for May, 1895, on "State Supervision for Cities."\*

The bill as presented provides for a board to consist of the Comptroller, Attorney General, and five competent persons to be appointed by the Governor, by and with the advice of the Senate. The term of office is to be five years. Section IV gives to the board such general supervision of the municipal administration of the cities of the second and third class as will enable them to examine into the government of such cities, and keep themselves informed as to their condition, with special reference to the compliance of city officials with the constitution and laws of the State. "It shall also be the duty of such Board, whenever, in their opinion, public interests require it, to examine the accounts of such cities, or any of them, or of any of the officers or employes of such cities, and the result of such investigations shall be reported upon in the annual report of the board to the Legislature." They are also to make recommendation to the Legislature as to any desirable changes in the form of city administration; are given power to prescribe the form of annual report to be made by the Mayor or any other municipal department to the board. It is furthermore made their duty to certify as to the legality, regularity, and form of municipal bonds, and no such bonds shall be issued without such certificate. It is the intention of the framer of the measure that men

\*Vol. v, p. 865, issued in separate form as Publication No. 146, of the American Academy of Political and Social Science. Price, 15 cents.



of the very highest ability be selected for these important positions and to attain this end relatively high salaries are to be fixed.

*Report of Commission on Legislative Procedure.* The commission, appointed to examine into legislative procedure and to recommend such changes as might be found necessary, has presented its conclusions to the Governor. The report dwells upon the fact that, under the present system it is impossible for the members of either house to examine the enormous mass of bills submitted for their inspection. In the Legislature of 1895, for instance, over 3000 bills were introduced. In examining the nature of these proposed measures, the commission finds that by far the greater number affected particular localities, in other words, were local or special in their nature. One of the most pressing needs, therefore, is to place such bills in a separate schedule and to adopt special procedure for their consideration. In recommending such a system the commission turns to the experience of England and endeavors to adopt the system of "private bill" legislation to American legislative procedure. They recommend that all private and local bills, including bills which relate to the municipality, be filed before the beginning of the Legislative session or, at least, thirty days before their presentation to the Legislature. They suggest that the committee to which such bills are referred shall fix a day for a public hearing of the bill, and be given power to take testimony under oath and to compel the attendance of witnesses. In this way a kind of judicial examination as to the merits of the bill, the interests involved, the objections thereto, is guaranteed. In the report, the commission gives some account of the experience of other States and cites a large number of constitutional provisions relating to methods of procedure.

*Budget, 1895.* The Board of Estimate and Apportionment of New York City has completed the budget for 1896, which shows an increase over that of 1895. The total appropriations for the year amount to about \$46,500,000, of which nearly \$44,000,000 must be raised by taxation. In looking over the various items of expenditure, one is impressed by the large appropriations made to such departments as street cleaning, fire and police. Thus for the work of the present year, the department of street cleaning is given over \$3,000,000. In this respect Philadelphia, with twice the length of streets and an appropriation of about \$800,000 stands in direct contrast. The experience of New York has shown, however, that efficient street cleaning is an extremely expensive service. The care and thoroughness which has characterized the administration of this department in New York City during the past year, has been little short of a revelation to its inhabitants. For the first time in its history the streets of the city have been

kept clean. The impression which this fact has made upon the city authorities, contributed, no doubt, to the readiness with which this appropriation, representing an increase of nearly \$650,000 over the preceding year, was made.

*Tenement House Reform.* The Tenement House Commission, which recently presented an elaborate report on the conditions of tenement dwellings in New York City, has proposed a measure to the present Legislature which involves a great extension of the city's right of eminent domain. The bill proposes to give to the city, authority to condemn and remove all rear tenements for the purpose of converting the sites thus condemned into court yards, to be used by tenants for recreation and breathing places. An annual appropriation of \$5,000,000 is to be provided to carry out the scheme. Other provisions to compel landlords to make necessary sanitary improvements are inserted in the bill. It will be interesting to see whether the constitutionality of such an act, if passed, will be sustained by the courts; whether the condemnation of rear tenements will be construed as such a "public use as will justify the exercise of the right of eminent domain." If any conclusions may be drawn from the present position of the State and federal courts, the answer would probably be in the negative. With the growth of our large cities, however, and the increasing difficulties which this problem of the housing of the poor involves, it is extremely probable that the courts will gradually be brought to a broader interpretation of the term "public use," just as they have been compelled to broaden the application of the principle of "public policy." It is in pressing social problems such as these, that the change is likely to be first shown.

*Consolidation.* The question of the consolidation of New York and Brooklyn is again before the Legislature. In 1895, in accordance with the resolution of the Legislature, this question was submitted to the vote of the people of both cities. The result was a majority in favor of the proposition, although as regards Brooklyn, the majority was extremely small. During the year which has elapsed, those opposed to consolidation claim that popular sentiment has changed considerably, and that another election would result in a majority opposed to the scheme. In accordance with the wish of some Brooklyn and New York City members, a joint legislative committee has been appointed to examine into the question of consolidation. This committee gave a public hearing the seventeenth and eighteenth of January. Those opposed to any such measure contended that but one-third of the electors participated in the vote of 1894, which cannot, therefore, be regarded as a final decision. The friends of consolidation dwell mainly upon the commercial advantages which must accrue from a

union of these great industrial and commercial centres. The indication at present seems to be that the question will again be submitted to the people before any further action is taken by the Legislature.

**Philadelphia.**—A recent decision of the Supreme Court has brought to the city, authoritative confirmation of the chaotic condition of street railway franchise grants. The power which the State Legislature undoubtedly may exercise, in the absence of constitutional restrictions, over the city's streets, was made use of to a considerable extent at an earlier period in the city's history. In 1869, the right of way on two of the important streets in the city was granted to a private corporation without the consent of the municipality. The recent attempt of the city to impose the duty of repaving on the company, a duty contained in a general ordinance applicable to all companies, has been adjudged by the Supreme Court to be beyond the power of the municipality, inasmuch as the terms of the act of the Legislature granting the right of way could not be so changed as to place additional burdens on the company.

**Buffalo.\***—The Niagara Falls Power Company has filed its acceptance of the franchise for the introduction of electric power into Buffalo. The filing of this notice makes the grant effective and its terms require the company to deliver at least 10,000 horse power by June 1, 1897.

*Railway Franchises.* In November, 1895, a new corporation—the Buffalo Traction Company—applied to the City Council for a franchise to build and operate sixty-six miles of new street railway, of which thirty-two were parallel to the existing lines of the Buffalo Railway Company. The latter vigorously opposed the new grant, and, at a hearing before the Board of Aldermen and before the Committee on Streets, remonstrances were heard. The State law requires that before a new railroad can be constructed the State Railway Commission must issue to the corporation a certificate that “public necessity and convenience” require its construction. The Commission held such hearing, but reserved its decision.

A second hearing was had before the Board of Aldermen on the ground that the first had been illegal for want of proper notice. At this meeting the proposed duration of the franchise (sixty-six years) was severely criticised. In spite of such remonstrances, however, the Board of Aldermen passed the ordinance in the form proposed by the Traction Company. It then went to the Board of Councilmen, which held its last meeting for 1895 on December 24, when it was passed without debate.

\*Communication of Mr. A. L. Richardson.

The Mayor held the ordinance until the meeting of the newly elected Board of Aldermen early in January, 1896, and sent to them a communication stating that he had obtained some additional concessions from the Traction Company. In this agreement with the Mayor it was provided that the proposed changes, one of which was the reduction of the term of the franchise from sixty-six to fifty years, when accepted by the Councils, should have the same effect as if incorporated in the original franchise. The Board of Aldermen disregarded the fact that the original ordinance was no longer before them. They passed a resolution (one member only voting nay) accepting the proposal of the Traction Company and changing the grant, *then in the hands of the Mayor*, to conform to it.

Under the charter the Board of Councilmen must approve every measure passed by the Aldermen before it goes to the Mayor, and they may amend it, if they see fit, while they cannot originate measures of any kind. Thus the Councilmen are intended to act as a check on hasty legislation by the Aldermen, and accordingly their regular meetings are held two days later than those of the latter. But, before sending to the Aldermen the communication above referred to, on January 6, the Mayor had called a special meeting of the Board of Councilmen *for the evening of that day* to take action on proposed amendments to the grant passed by the Common Council of 1895 and then in his hands for approval or disapproval. This was also a new board, containing several new members who had decided opinions about voting away valuable franchises without due consideration. They did not propose to be "railroaded" in this manner, and therefore remained away from the special meeting, which thus failed of a quorum. At ten o'clock that night, being the last night on which he could act, the Mayor signed the franchise as originally sent to him.

Fortunately for the city, however, the State Railroad Commissioners came to the rescue of its true interests on January 23d by denying the application of the Traction Company for a certificate that "public necessity and convenience" require the construction of its road. This makes the whole scheme abortive, and proceedings in the courts have since been begun to enjoin both the city and the company from taking any further proceedings under the so-called franchise.

**Cincinnati.**\*—Through the efforts of the Cincinnati Municipal Civil Service Reform Association a bill has been introduced into the Ohio Legislature to regulate the selection and tenure of subordinate officials of cities of the first class (Cincinnati and Cleveland) and of the first and second grades of the second class (Columbus, Dayton and Toledo).

\* Communication of Max B. May, Esq.

The main provisions of the act are as follows : Whenever 1000 votes of the city of Cincinnati or Cleveland, and 500 votes of Columbus, Dayton or Toledo petition the Board of Elections to that effect the proposition to adopt civil service rules shall be submitted to the popular vote, and in case of defeat such proposition shall upon application be submitted at succeeding municipal elections. If the proposition is adopted, the Mayor shall within thirty days appoint a Civil Service Commission of three, the members of which shall hold office for three years and not more than two of whom shall be members of the same political party.

This commission shall classify all the offices and places of employment in the service of the city, including the teachers of the public schools, and no one shall be appointed to any office or place in the classified service unless his name appears upon the register prepared from the returns of examinations held by the commission, such names being placed upon the register in order of relative excellence.

The examinations shall be public, competitive and free to all citizens of Ohio with specified limitations as to age, residence, health, habits and moral character, and shall relate to matters which will fairly test the relative capacity of the candidates to discharge the duties of the respective positions. The examination may include tests in physical qualification, health and manual skill, but no questions of a political or religious nature shall be asked.

No officer or employe of the classified service shall be removed or discharged except for some cause relating to his fitness to perform the duties of his office. Such cause shall be determined by the appointing power and reported in writing to the Commission, and shall not be made public except upon demand of the discharged.

The bill does not apply to officials now elected by the people nor to those appointed by Council, the courts or the Governor ; nor to members of the city boards, including the heads or chiefs of any division thereof relating to engineering, water works, street cleaning, fire department, parks, Superintendent of Public Schools, police, law officers and one private secretary of the mayor.

The law contains ample provisions for its effective execution, the penalties in cases of violation being especially severe. In short it is a sort of local option in civil service for the cities named above. It will not, if adopted, affect any officials now in office. Great efforts will be made to have the law adopted at this session of the Legislature. If passed it cannot be submitted to the electors of Cincinnati until April, 1897. In its general features the law was modeled after the Illinois Act, which was recently adopted, and is now in force at

Chicago, though many provisions of the Federal law, and those of New York and Massachusetts were followed.

*Taxation.* The question of taxation is one of the pressing problems now before the city. In Ohio personalty as well as realty is taxable, and in order to ensure an honest return of personalty, the Legislature several years ago enacted a law authorizing the County Commissioners to contract with a Tax Inquisitor for the listing of property improperly or fraudulently omitted from the taxpayer's return. The County Auditor must list all omitted property so reported by the Inquisitor, with a penalty of 50 per cent. The Tax Inquisitor is compensated by receiving 25 per cent of all taxes collected through his efforts. This law is commonly known as the Morgenthaller law, from the Tax Inquisitor. Many people have been unfortunate enough to become the victims of his ingenuity and skill, and because of his duties and constant watchfulness, many of the more wealthy citizens, those who have large personal estates, have become citizens of other States, though they still remain in this city. The result has been that the amount of personalty listed for taxation has steadily decreased within the past few years, and the tax lists do not increase in proportion to the population.

Under existing laws, city and county bonds, usually fives and fours, which command a premium, are taxable, and in this city the rate has been 2.8 per cent and 2.7 per cent per \$100. Then again the foreign corporations doing business here are taxed upon the property in possession, and are compelled to pay a privilege tax besides, and in addition to this local stockholders must list such stock for taxation.

The whole question of taxation was recently discussed by the Commercial Club, an organization composed of prominent citizens of various vocations. A report recommending to the Legislature among other things the repeal of the Morgenthaller law and the abolition of taxes upon the stock of corporations listing property in this State for taxation, and of the taxes on State, county and municipal bonds was adopted. The report likewise recommended the abolition of all taxes on personalty, substituting therefore a system of licenses based on gross sales supplemented by a tax on realty exclusively.

The Board of City Supervisors, who have the final authority in the matter of taxation, urges in an elaborate and instructive report recently issued, the necessity of an immediate reform of the tax laws. The more important recommendations are those demanding that brokers and agents of foreign manufacturers be licensed in proportion to business done; that commission men, professional men and patent medicine dealers should be licensed; that the tax rate on county and municipal securities and mortgage notes be fixed at one-tenth of one

per cent, "the question being whether a fraction of a loaf should be accepted or no bread at all."

All relief in this matter must come from the Legislature, which is now in session. As the country dominates the city, it is doubtful whether anything will be done. Bills providing for the repeal of the Morgenthauer law and for the call of a constitutional convention to consider primarily the tax question have already been introduced.

An agitation for an increased park area and the acquisition of property for parks, public squares, parkways, boulevards and recreation grounds has been begun by some of the more public spirited citizens. Nothing in this direction can be accomplished without legislative aid, and it is quite probable that legislation for this purpose will be pressed during the winter.

**South Carolina.**—The new constitution which went into effect on the thirty-first of December, 1895, contains several provisions affecting directly and indirectly the form and operation of the system of municipal government in the State. Reference has been made on page 131 of the present number of the *ANNALS* to the electoral qualifications which will considerably reduce the registration lists in cities. As to provisions directly affecting cities, we find, in the first place, a clause contained in Article XI, which will prove quite a burden to the finances of many cities, which provides "that separate schools be provided for the children of the white and colored races, and no child of either race shall ever be permitted to attend school provided for the children of the other race."

The most important provision relating specifically to cities is intended to limit city authorities in the granting of franchise privileges. It provides that no such grant for railway, gas, water, telephone, telegraph, etc., be granted by the State Legislature without the consent of the local authorities. Furthermore, that "cities may acquire by construction or purchase, and may operate water-works systems, and plants for furnishing light, and may furnish water and light to individuals and firms or private corporations for reasonable compensation. Provided that no construction or purchase shall be made except upon a majority vote of the electors in said cities or towns who are qualified to vote." This section is another instance of a tendency which has become well marked in recent constitutions to insert provisions which were formerly placed in city charters, thus placing at least a portion of such charter beyond the ordinary law-making power of the State Legislature.

The constitution furthermore provides that no city or town shall create indebtedness beyond 8 per cent of its assessed valuation.

Also, that cities may exempt from taxation, except for school purposes, by special ordinance, manufactures which have been established in the locality for a period of five years. Such ordinance to be ratified by a majority of the electors. Another "referendum" provision relates to the issuance of city bonds, which question must be submitted to the people at a special election. As a condition precedent to such election there must be a petition to the General Assembly of a majority of the freeholders of the city.

#### FOREIGN CITIES.

**Paris.**—After a long-continued agitation, the Chamber of Deputies has finally passed a bill which seems the first step toward a change in the system of local and, more especially, municipal taxation in France. In the larger cities, the *octroi*, a tax on food products and other articles of every day use, has been the main element in the budget of the city. The fact that it had for so long a time been a part of the French system and that the people had thus become accustomed to the payments, was the main argument used in favor of its retention. Those opposed to the system have on their side all those arguments which relate to the evident inequality of such a system and to the undoubted burdening of the poorer classes. The act of November 20, 1895, requires municipalities to abolish the *octroi* tax on so-called hygienic drinks, namely, beer, wine and cider, and gives them the option of abolishing the *octroi* altogether. As a substitute it will be necessary to increase some of the existing taxes, such as the house duty, the land tax, etc. The city of Paris is exempted from the operation of this act. The reason for this is to be found in the fact that the needs of the enormous Parisian budget could not be met were this tax to be abolished. To supply the deficiency would mean an intolerable increase in the direct taxes. Thus in the budget for 1894 the *octroi* furnished \$29,851,910 out of a total income of \$58,171,264. The total income from taxation exclusive of the *octroi* was but \$6,538,420.

*Rapid Transit.* The question of a system of rapid transit has been before the city for a number of years. The relative merits of different propositions have been carefully considered, and it seems that some definite conclusions will be reached during the present year. The municipality, if the vote of the City Councils voices popular sentiment, is exceedingly anxious to undertake the construction and operation of the system. In a recent communication of the French Minister of Commerce to the City Council, he expresses his approval of such a plan, provided that a certain portion be completed before the year 1900.



This will be the first instance of municipal ownership and operation of street railways in continental Europe.

**Glasgow.**—The tendency to unification in the administration of English cities is illustrated by recent changes in the government of Glasgow. The decline of administrative efficiency of the municipalities of Great Britain during the eighteenth century made it impossible to entrust them with the new functions which the growth of population had made necessary. As a result, we find a series of parliamentary enactments, giving to special commissions, trusts, or other administrative bodies the control over special departments in the city government. After the Municipal Corporation Act of 1835 this power was gradually transferred to the reorganized City Councils. It was characteristic of English legislation, however, that, in the endeavor to adapt old forms to new conditions, the former special committees and commissions were retained in name and in law, although, in fact, merged in the Municipal Council. Thus, in the case of Glasgow, the Council was not given general authority over city affairs in its capacity as Town Council, but acted as Police Commissioners, Water Commissioners, Park Trustees, Improvement Trustees, etc. The Glasgow Corporation Act of 1895 abolished these distinctions and made the Council the general authority, both in law and fact, over these municipal functions. In addition, it greatly increased the present powers of the Council and thus brought about a closer harmony between municipal needs, form of government and scope of powers.

*City Gas Works.* During 1895 the city has reduced the price of gas from sixty to fifty-six cents per 1000 cubic feet. This represents a reduction of 50 per cent since 1870, when the price was \$1.14 per 1000 cubic feet. It has been the policy of the municipality, since this service has come under direct municipal control and management, to make the question of profit subordinate to the broader question of public welfare. In reducing the price of gas the city has had in view its more extended use by the laboring classes for lighting, heating and cooking purposes. To further facilitate this the department has entered into the business of selling and renting gas stoves. At present over 10,000 such stoves are rented by the city. With each reduction in price, the consumption has greatly increased and, as a result, the financial outcome has been most satisfactory. Within recent years the city has also entered into the electric light business and, during the last year, has increased the facilities by the addition of a new \$100,000 plant.

**English Cities.**—In the matter of municipal sanitation the English municipalities are rapidly overtaking the German cities which have hitherto taken the lead in this field of municipal activity. It is true

that in the former the necessity for immediate and definite action had become imperative within recent years. The laxity of control over building operations, drainage connections, etc., which characterized the English administration of the earlier decades of the century, had gradually developed conditions which threatened the health and safety of many of the cities. Nothing but the immediate danger of the situation could have induced Parliament to permit, and the municipal authorities to adopt, vast schemes for the expropriation of slum districts. The modern spirit of strict administrative control has been extended into other fields. Thus, in many of the cities, of which the most recent examples are the districts which go to make up London, one finds elaborate provisions for the protection of the population from contagious diseases. The parish of Islington, for instance, has recently constructed a complete disinfecting establishment and constructed a series of dwellings where families in which such disease has been prevalent may find temporary shelter. These institutions, in connection with the isolating hospitals, which have now become so general, have greatly reduced the danger of epidemics, at one time so disastrous among the poorer classes of the English population.

## SOCIOLOGICAL NOTES.

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[The editor of this department is glad to receive notes on all topics of interest to sociologists and persons working along sociological lines in the broadest acceptance of the term. It is not the purpose of these columns to define the boundaries of sociology, but rather to group in one place for the convenience of members of the Academy available bits of information on the subject that would otherwise be scattered throughout various departments of the ANNALS. The usefulness of this department will naturally depend largely on the measure of co-operation accorded the editor by other members of the Academy.]

Among those who have already indicated their interest and willingness to contribute are such well-known workers along sociological lines as Professor F. H. Giddings (Columbia College), Professor W. F. Wilcox (Cornell University), Dr. John Graham Brooks (Cambridge Mass.) Dr. E. R. Gould (Chicago University), Mr. John Koren (Boston), Hon. Carroll D. Wright (Washington, D. C.), Professor E. Cheysson (Paris), Mr. Robert D. McGonnigle (Pittsburg, Pa.), President John H. Finley (Knox College), Professor D. R. Dewey (Boston), Rev. Dr. L. T. Chamberlain (New York), Dr. Wm. H. Tolman (New York), Dr. D. I. Green (Hartford), Mr. Robert Donald (London), Professor Guiseppe Fiamingo (Rome), Dr. Georg Simmel (Berlin), Professor Dr. Georg v. Mayr (Strassburg), Miss Emily Green Balch (Jamaica Plains, Mass.), Miss M. E. Richmond (Baltimore, Md.), and others.]

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**The Negro Problem.**—The most significant as well as the most hopeful contributions to the study of the negro problem in the South, are to be found in many of the educational and industrial conferences rather than in political conventions and assemblies. No more persistent and enterprising efforts are being made to raise the status of the negro than those at the Tuskegee Normal and Industrial Institute at Tuskegee, Alabama. For several years it has been customary to hold a negro conference, to which are invited the negro farmers and laborers within a radius of many miles. The most practical questions are discussed, and the needs and wants of every line of activity represented are discussed in the plainest manner. As many as six hundred farmers attended one of these conferences, driving into the school grounds in all sorts of vehicles, or riding on mud-bespattered mules and horses. One man drove fifty miles in very inclement weather to be present, and many came twenty and twenty-five miles.

Mr. Booker T. Washington issued a call for the first conference on February 23, 1892, and he thought there would be scarcely more than seventy-five present; but to his surprise nearly five hundred came, and the numbers have increased from that time in each succeeding year. The reports of these conferences, couched in genuine negro dialect, illustrate in a forcible manner many of the simplest and deepest wants

of this race, and the conferences themselves have enabled their better trained leaders to do a great work in encouraging those who attended in habits of thrift and industry. Many local conferences have been organized, modeled on the plan of the Tuskegee one. These occasions furnish also an opportunity for circulating simple literature where it tells in the widest circles.

The following points to remember and to carry out during the coming year were issued in circular form at a recent conference :

*Things to Remember and Practice.*

1. Do not stand still and complain, but go forward—mere fault-finders accomplish little.
2. If you have an immoral minister or teacher get rid of him.
3. It is wrong to keep your family in a house with but one room—have at least two rooms—three are better.
4. Do not plant too much cotton, but more corn, peas, sugar-cane, sweet-potatoes, etc.; raise hogs, cows, chickens, etc.
5. Do not mortgage your crop; if you have done so, go in debt just as little as possible.
6. Pay off the old debt as soon as possible and do not make another one.
7. Keep out of law-suits—Do not lie around town on Saturdays.
8. Don't waste money on excursions, whiskey, cheap jewelry and other things that can be done without.
9. Own a home just as soon as possible—begin buying one this year.
10. A three months' school amounts to but little, extend the term to at least six months, by each one taxing himself.
11. See that you treat your wife better than you did last year.
12. Do not be deceived by emigration agents.
13. Give the lessons learned in these Conferences to your neighbor.

The following circular containing suggestions for a plan and subjects for discussion at local conferences, modeled on the Tuskegee Negro Conference, was also issued:

1. Elect a president, vice-president and secretary. (Have as few officers as possible.) Hold conferences as often as circumstances seem to demand, at least one every two months. Hold one as soon as possible on your return from the Tuskegee Conference, that you may give your community the benefit of your experience.
2. Subjects for discussion: How many mortgage their crop? How many are planting nothing but cotton? How many live on rented lands? How many live in houses with but one room? How many are paying off mortgages? How many are building better houses? How many have bought land? How many do not mortgage at all? How many have raised enough corn, vegetables, meat, etc., for their families?
3. How long is your school session?
- Is anything being done to extend the school term?
- Is a new school house needed? What is being done to secure one?
- Is the school house properly supplied with seats, black-boards, etc.?
- Is the teacher right in education and morals? Is the same true of the minister?
- Is your teacher properly paid and properly treated?
- Are any plans on foot to improve the school?

4. Are the morals of the people improving? Is a line drawn between the good and the bad?

Are women being treated better?

Is less whiskey being used?

Is money squandered on excursions?

Do the people practice their religion during the week?

Are people wasting their money in useless lawsuits?

Perhaps the great need of simplicity and directness, as well as the importance of concentrating effort on raising the economic and industrial status of the negro in the South, can be best illustrated by quoting two of Mr. Booker T. Washington's short addresses to the colored farmers of Alabama. Few men, if any, have as keen an insight into the real needs and possibilities, as limited by present conditions, of the negro race than Mr. Washington, and these two addresses, which have been widely circulated as small tracts, are worthy of perusal and careful study by all persons in the North interested in this race question:

#### THE COLORED FARMER.

##### *The Importance of Owning a Home.*

No people can be prosperous as long as a large proportion of them continue from year to year to rent houses and land. Since land is as cheap as it is in the South there is no reason why every head of a family should not live in his own house. The money paid out during five or six years for rent will in most cases buy the land rented. Most farmers do not begin because they are not able to buy a large number of acres at once. A few acres, twelve, or twenty well cultivated, will be of more value than 100 acres poorly cultivated, and too, it is much easier to pay for the small farm and thus be independent. When one rents, the house soon begins to go to pieces, the fences fall down and the land grows poor and the farmer does not make repairs and manure the land, because he is not the owner and does not expect to live on the place long. Every time a farmer moves from one place to another he loses one year's work. A man never begins to have self-respect until he owns a home. If he owns his house he will see that it does not fall to pieces and that the fences are kept up.

Each year he will make the land richer. He will plant peach trees, apple trees, and strawberries, will build a nice little barn, etc. He will also own cows, hogs, chickens and raise vegetables and thus not be compelled to buy everything he eats. When he begins to do these things, then he begins to live and be happy and respected by white and colored men. No one is respected as a man until he begins to get that which he can call his own. Many have gotten so into the habit of renting and mortgaging their farms and homes into debt, and buying everything they eat from the store instead of raising it, that they think there is no other way better than this one. But there is a better way and it can be brought about if each one will secure for himself a little farm that he can call home.

If all who read what I have written or hear it read, will begin at once to buy, in five years, with a few exceptions they can be living on their own farms.

Each man owes it to his wife and to his children to give them a home as soon as possible in which to live.

BOOKER T. WASHINGTON,  
Tuskegee Normal School,  
Tuskegee, Alabama.

*To the Colored Farmers of Alabama :*

This has been an exceptionally good crop year. What permanent advantage will there be to you as farmers as a result of those good crops? Many have been in debt for years and have had to pay heavy interest for money and provisions on which to live while raising a crop. If the results of this good crop are to be wasted, the next year will find you no better off than you have been during the last ten years. Instead of spending money now for useless articles—articles that you can do without—let each farmer save his money; put it into a bank, or save it in some other way. Do this, and you will not be obliged to mortgage your crop or go into debt for provisions. Every farmer should resolve to live this year without mortgaging—without going into debt.

To illustrate the unwise way in which many are spending their money: there are not a few who this year have bought expensive buggies, and at the same time are living on rented land and will be obliged to mortgage in order to live another year. Better a thousand times do without the buggy and begin to buy a home or save the money with which to buy food so that you may keep out of debt.

If you have money enough ahead, why not begin to buy a small farm for yourself?

No person can ever be permanently prosperous and independent who lives on rented land.

Land is cheaper now than it will ever be again. Now is the time to secure a home. Will you not promise to begin to buy a home; will you promise not to mortgage your crop—not go into debt this year?

Keeping out of debt will in the end benefit both buyer and seller.

*Tuskegee Normal School, Tuskegee, Ala.*

B. T. WASHINGTON.

**A Workingman's Model Home.**—Many visitors to the Columbian Exposition at Chicago in 1893 will remember the Model Workingman's Home in charge of Miss Katharine B. Davis, who is now the head-worker of the College Settlement in Philadelphia. It formed a part of the New York State exhibit, and thousands of interested visitors examined it carefully, took home the plans and specifications, together with full information as to the cost of construction and furnishing, and doubtless many duplicates of this excellent piece of work have been erected in various parts of the country. It was due to Miss Davis' energetic efforts that the idea of constructing and exhibiting the model was carried out. She prepared the plans, directed the building, and personally superintended the experiment of caring for a family of five persons for a month at an average cost of fifty-four cents per day for food. The exhibit undertook to answer the following questions:

How good a house can be built in the State of New York, outside of the cities of New York and Brooklyn, so as to rent for \$10.00 a month?

How completely and suitably can such a house be furnished for \$300 00?

How well can a family of six persons—father, mother, and four children under ten years of age—be clothed on \$100.00 a year?

How much and what variety of food can the above family have for \$200.00 a year, and can the requirements made by a scientific study of foods be met in practice for such an amount?

The house actually constructed had a frontage of twenty feet and a rear depth of twenty-eight feet, and was built at a cost of \$1000.00, exclusive of ground. Full details of the amount of lumber and material that entered into this building may be found in the report of the exhibits of the State of New York, published at Albany in 1895. The house was completely furnished for \$300.00. Full details of each item of furniture and its cost are also given in the report; also, full answers to the other questions already indicated.

During the month of July the experiment was made of putting the bills of fare, already agreed upon, to a practical test. A Columbian guard, lodging in the nearest barracks, was very glad to go to the house for his meals. A widow, who had been secured as an assistant in the care of the house, brought her three children and lived there night and day during the month. The object of the experiment was explained to the man and woman, and, as they were intelligent people, they readily assented to the proposed conditions. They promised to eat only what was furnished them in the home. They also agreed that if they found the food insufficient to satisfy appetite or maintain strength, they would frankly say so. The children were constantly under the eye of the mother and of the experimenter and could be trusted to say so if they were hungry. Dr. J. S. Mitchell, of Chicago, made a thorough physical examination of the family on the first day of the experiment and at the end of the month, and he makes the statement that the health of the family throughout the month was good. All were contented. The man had gained in weight. The woman had lost three quarters of a pound, which is not remarkable considering that the housework for a family of five persons—cooking, washing and ironing—had been carried on in the presence of from 500 to 2000 persons daily. This was a strain to which she was unaccustomed and it speaks well for the diet that she did not lose more. The children held their own; but not having been previously well fed, it would have taken at least another month of simple diet and regular hours to have resulted in a visible gain.

Full details as to the bills of fare, the weight and nutritive elements in each article of diet, are given in Miss Davis' report, and the report as a whole constitutes one of the most interesting contributions to one of the most practical questions in social reform.

**Charity Organization Work.**—Summaries of the work for the year 1895 for the Charity Organization Societies of Baltimore and

Boston, two of the best managed in the United States, are at hand. As far as statistics are concerned, those for Baltimore are exceedingly satisfactory. The figures in all cases indicate an entire family counted as a unit, except when employment, transportation, or institutional care has been found for several members of the same family.

The total number of applicants for relief during the year was 19,072, and of this number employment was found for 3993; the employment proving to be permanent in the case of 2516. A large amount of this employment was found for the society's applicants through entirely outside agencies, which is an indication of the application of true charity organization principles. It is true that the society had a Work Relief Fund, through which work was given to 327 persons, and temporary work to 1150. Material relief was procured for 4649 families; the relief coming chiefly from individuals who were interested in the several cases and through co-operating agencies, and not from the society's own funds. Every effort was made to procure adequate relief, and that actually provided varied in amount from less than \$1 to \$100. 1078 cases were exposed as impostures and frauds. 400 friendly visitors were interested in the work during the year, and made visits aggregating in number 6598. The total cost of the work was exactly \$9,389.40.

A great deal of care was taken in the preparation of this report to give meaning to the figures. In the matter of employment the society's agents were instructed to count only those positions as secured which were personally known to them to be so, and the figures under this head stand for a large amount of personal service on the part of agents and volunteers for many visits and for much soliciting of friendly interest in individual cases.

The society does not administer material relief from its own funds for several reasons: First, because many of the poor will not receive any other form of help from a society known to have a relief fund, clamoring for material assistance instead; second, because co-operation with other agencies giving relief is checked by such a fund, the churches and relief societies naturally asking why money collected for relief is not so used; third, because any such fund, if large, dries the sources of individual benevolence and demoralizes the rich, who should be personally interested in the families helped by them; fourth, because a small fund, unable to meet the legitimate demands made upon it, would encourage in its administrators the habit of putting off the poor with that worst of all possible makeshifts—an inadequate dole.

The wisdom of this appeal or statement in behalf of the non-relief giving principle, where it is followed out in the proper spirit by securing adequate relief through private agencies, must appeal to many



workers elsewhere who are now battling with the results of a wrong policy in another direction.

Some social statistics concerning the families helped by the Baltimore Society may be of general interest. Of 1377 new families brought under the care of the society during the year ending November 1, 1895, there were 821 married couples, 252 widows, 72 deserted wives, 79 single women, 41 deserted husbands or widowers, 104 single men, 6 orphaned or abandoned children, 2 divorced or separated legally. Of the total number of persons included in these 1377 families, 2279 were under 14 years of age; 513 between 14 and 20; 1448 between 20 and 40; 651 between 40 and 55; 214 between 55 and 70; and 59 over 70. Of the heads of families, 728 were white Americans, 233 colored Americans; next in order came the German, Irish, Polish and Russian, French and Canadian respectively. As to the causes of need, it seems that 36 per cent of the cases were due to lack of employment; 18 per cent to sickness; 11 per cent to insufficient employment; 5½ per cent to shiftlessness or inefficiency, and about 4 per cent each to physical defects, accident, and poorly paid employment; and 5 per cent to intemperance.

The summary for the Boston society indicates that for the year 1894-95, that is the fiscal year ending May 31, 1895, the total number of visitors at work was 880; including volunteers, however, during the year, the number who actually performed such work was 1046, while the total number of families dealt with was about 5000, indicating a slight falling off from the excessively large number for the fiscal year 1893-94. The total expenses of the society for the fiscal year 1894-95 amounted to \$19,551.38.

**The Cultivation of Vacant City Lots.**—Lack of employment is the chief cause of distress among the applicants for relief with whom charity organization societies have to deal. For the most part, these persons represent the shiftless, incompetent, and physically weak. It is exceedingly difficult to find any relief for them that promises more than temporary results. The question of cultivating vacant lots in the cities, thus finding some employment for this class, and ultimately encouraging some of them at least to go into agricultural pursuits, is an effort still in the experimental stage. It has been tried under very many conditions, and we have taken occasion in these columns to call attention to some of these experiments. Experience has been scarcely sufficient to warrant the formation of positive opinions either for or against the scheme, and until we can present to the readers of the ANNALS a carefully prepared and exhaustive study of what has popularly become known as "The Detroit Plan," in all

its various aspects, we will continue to give from time to time in these notes accounts of the results of single experiments.

Dr. Wm. H. Tolman has very kindly furnished the following facts concerning vacant city lot farms in New York. The vacant lot farms, under the care of the New York Association for Improving the Condition of the Poor, were cultivated by eighty-four planters, who received 138 acres, the average allotment being  $1\frac{1}{2}$  acres. On this land there were raised 6235 bushels of potatoes, 817 bushels of peas, 1259 bushels of beans, 19,119 heads of cabbage, 530 crates of tomatoes, and 39 bushels of carrots. Besides this, turnips, radishes and lettuce were grown, and the total crop was valued at \$10,399.52. The total expenses connected with the experiment were \$4,065.95. In comparing these figures in order to estimate the margin of profit, it must be remembered that no rent was paid for the land, and, furthermore that, instruction, seed, tools, fertilizer and the preparation of the soil were all supplied free. The expenses were heavy because the experiment was a new one; the land was at some distance, from the heart of the city, being across the river; the cultivation was on scientific principles, and the ignorance of the applicants compelled very careful instruction. The success of the scheme thus far has been clearly demonstrated; but the next step in advance, whereby the planters shall be permanently improved and not become dependent on the committee the following year, has not yet been pointed out.

The scheme has been practically a farm school, and men coming from the tenement houses, who had never handled a hoe before, and had not the least idea of farming, were taught and soon learned how to raise enough to render themselves self-supporting. A janitor on one and one-quarter acres raised crops to the value of \$117.15; a laborer on one-quarter of an acre, to the value of \$25.00; a photographer on one acre, to the value of \$102.45; a painter on one-half acre, \$30.95; a hod carrier on three-quarters of an acre, \$88.10; a tailor on one-half acre, \$77.65. All of these men had had no experience whatever in farming. At an exhibit of the products of the Vacant Lot Farms at the Live Stock Society Show, recently held at the Madison Square Garden, the second prize was awarded to the Vacant Lot Farms. The Association for Improving the Condition of the Poor has kept very careful social statistics of each of the eighty-four planters, and these will be made public in a leaflet in the near future.

In Boston the Industrial Aid Society for the Prevention of Pauperism made a similar experiment, and in its sixtieth annual report it summarizes its results as follows: \*

\* We are indebted for this summary to the January number of the *Monthly Register* of the Philadelphia Society for Organizing Charity.

"In May, a special meeting of your Executive Committee was called to consider a letter from the directors of the Associated Charities referring to us the question of making a trial in Boston of what is known as the Detroit or Pingree plan of putting poor people to work raising potatoes and other vegetables upon vacant city lots. The Associated Charities thought this matter to be within the scope of our society rather than theirs. Your Executive Committee deemed it wise to try this plan in Boston, and decided that it was a kind of industrial aid which it was appropriate for us to tender to the worthy poor of our city. A sub-committee was appointed, with full power to undertake the experiment, and to arrange all necessary details. The sub-committee, in co-operation with a number of citizens interested in the project, formed a new committee and solicited funds from the public. Money was liberally contributed, and the work was begun at once. Your agent had charge of most of the details and has spent much time and thought upon the potato field.

"After rejecting many lots of vacant land freely offered to us in the neighborhood of the city as unfit for our use, it was finally decided to hire a farm and have all the work consolidated at one place. What is known as the Morton farm on the corner of Morton and Canterbury streets, between Franklin Park and Forrest Hills Cemetery, was selected. A capable farmer was engaged as superintendent, and the ground was fertilized, plowed and harrowed ready for planting, at the expense of the committee. In all, fifty men and two women took lots. About one-third of an acre was allotted to each applicant, and he was instructed how to plant his crop and what to plant. Potatoes were bought and furnished by the committee, and formed the great bulk of the crop, but corn, beans, cucumbers, tomatoes, and even melons were also planted.

"Every applicant had to bring credentials from some society or individual who would vouch for his worthiness and need. Men came from all parts of the city; from East Boston and Charleston, as well as from Jamaica Plain and Roxbury. All seemed grateful for the means offered them of helping themselves and their families, and most of them strove hard to prove their gratitude by honest and painstaking work upon their lot. There were but one or two exceptions to this rule out of the whole number.

"The crops have been abundant, and we feel that in many respects the experiment has been a success. It gave to the fifty-two men and women a new zest in life. They worked hard during week-days, and on Sundays they would go out to Morton street, taking with them their families and friends, and show great delight in seeing the growth of the crops and in exhibiting their 'farms.' We hope that it

may be the means of inducing many of the unemployed to seek work in the country.

"Each cultivator had from forty to fifty bushels of potatoes, besides other vegetables, as the result of his labors. The potatoes that they did not need for their own use, they were able to sell at from fifty to eighty-five cents per bushel. In some cases they exchanged their potatoes with their grocers for flour and other necessities. The potatoes were of fine quality and size, and brought the highest prices in the market."

**Liquor Traffic in South Carolina.**—The future of the South Carolina Dispensary system is still dubious. The hostility of the conservatives toward it is well known. And when, in May, 1895, an injunction was granted by the United States District Court restraining the State Board of Control from interfering with the importation of liquor from other states for private use, the near end of the Dispensary régime was freely predicted. The financial feature of the scheme had been relied upon to win it friends, and hence the belief prevailed that the loss in receipts, sure to result from the removal of all restrictions on the purchase of liquor not intended for sale, would doom it as a revenue measure. That the efficiency of the system has been impaired, since both the seller and consumer are no longer cut off from the sources of supply, is unquestionable.

However, the final word on the constitutionality of the absolute monopoly of the State is yet to be spoken. The right of a citizen to import liquor, the product of other States, for home use, will be tested by the United States Supreme Court during the winter. Whatever the decision of this tribunal, and the ultimate fate of the Dispensary the common saloon is forever banished from South Carolina. The late Constitutional Convention of the State incorporated an article on intoxicating liquors, which leaves it optional with the Legislature to continue the Dispensary system, or to pass a prohibitory law, or to grant licenses for the sale of intoxicants in packages, not to be consumed on the premises. Drumselling over a counter can not be legalized. This departure from the ordinary methods of liquor legislation must be considered as a direct result of the Dispensary experiment. The possibility of doing away with the bar traffic, and still not attempt absolute prohibition, has been demonstrated. Even the opponents of the system admit that this has proved a great social gain, which has by no means been entirely offset by the growth of illicit selling.

The new constitution gives the State's share of the profits from the liquor monopoly to the public schools, which must be regarded as a further bid for popular favor.

**Temperance Question in the United States.**—Mr. Josiah Strong, of New York, has been largely instrumental in initiating in the temperance cause a forward movement of no mean proportions and one that is to be carried out in a liberal and scientific spirit. Heretofore many sympathetic workers in the cause of social reform have hesitated to advocate compulsory instruction on the effects of alcohol and narcotics in the public schools because the teachers are so poorly prepared for this work, if it is to be done in a fair and scientific spirit, and so many of the text-books that are available are of doubtful accuracy in all respects. Such instruction, if it is to become general and really helpful, must be thorough and impartial and not be used as a means of disseminating a creed or dogmatic conclusions however desirable in their results. If any other attitude than this be assumed by our educators, an entering wedge for evil and not for good will have been placed in our educational system.

A large part of the world's progress in the twentieth century will no doubt be in the art of living. Much of the world's misery has been due to ignorance of the laws of life, individual and social.

In recognition of the need of popular instruction touching the laws of health, nearly all the States in the Union together with the general government have enacted laws requiring that instruction be given in the public schools in physiology and hygiene with special reference to the effects of alcohol and other narcotics on the human system.

Not long since, there was a petition presented to the trustees of the American University at Washington, D. C., signed by many representative American citizens of all parts of the land.

This petition asked that there might be created a department of the American University for such original investigation, study and instruction as would furnish to the country the needed teachers of teachers in the new and almost universally mandatory branch of public school instruction above referred to.

The Board of Trustees of the American University complied with this request on certain conditions, and appointed a committee, viz.: Bishop John F. Hurst, LL.D., Rev. Charles H. Payne, LL.D., and Vice-Chancellor Samuel L. Beiler, Ph.D., to meet the Board of Counsel of the Temperance Educational Association to arrange all details.

This meeting has just taken place in New York. There were present the above named committee, together with the following representatives of the Board of Counsel of the Temperance Educational Association, viz.: Mrs. Mary H. Hunt, A. H. Plumb, D. D., Daniel Dorchester, D. D., Jesse B. Thomas, D. D., and Mr. William E. Sheldon, all of Boston; I. N. Quimby, M. D., of Jersey City; L. D. Mason, M. D., of

Brooklyn; and Rev. Drs. W. C. Roberts and Josiah Strong, both of New York.

It was agreed that, upon the payment to the treasurer of the American University of the sum of \$250,000, or such lesser sum as should be deemed by the Board of Trustees sufficient for the beginning of the work of said school, there should be inaugurated a department of the University, to be called "The College of Scientific Temperance," which shall be a college of investigation and instruction in physiology, hygiene and pathology, with special reference to the nature of alcohol and kindred substances, together with their effects upon mankind, and including the following studies as they are related to the purpose of this college, viz.: toxicology, chemistry, biology, psychology, ethics, criminology, law, political economy, reformatory measures and pedagogy, with such other studies as may be found necessary.

This movement is neither partisan nor sectarian. There are many religious denominations represented on the Board of Counsel. The College of Scientific Temperance is not founded as a propaganda but as a scientific school whose sole object is to find and inculcate whatever may prove to be the truth touching the subjects of investigation. The College agrees to publish from time to time, for the benefit of public school instructors and of the general public, the results of the scientific investigations of its faculty and students.

**College Settlement Work.**—The scope and possibilities of this work have nowhere been more clearly brought to light than in the bibliography compiled by Miss M. Katharine Jones, and recently issued by the College Settlements Association, together with their sixth annual report.\* The facts speak for themselves. There are seventy-six houses catalogued in the bibliography as representing social work under the general settlement idea. The first edition of this bibliography, printed in the winter of 1893-94, contained but twenty-five. The settlement idea, briefly speaking, is residence by earnest and cultured men and women among the people of the lower classes, for the purpose of neighborly contact, mutual help and understanding, and the gradual leavening of the slum districts by kindness, example, wise teaching, and high ideals, until each lapsed section is

\*"Bibliography of College, Social and University Settlements." Compiled by M KATHARINE JONES, of the College Settlements Association. Allied Printing Trades Council, Philadelphia.

"Sixth Annual Report of the College Settlements Association," Incorporated A. D. 1894. From September 1, 1894, to September 1, 1895. Philadelphia: Dunlap Printing Company.

"The Fourth. Annual Report of the St. Mary Street College Settlement of Philadelphia." Continuing the work of the St. Mary Street Library. October 1, 1894, to October 1, 1895. 617 Carver street, Philadelphia.

reclaimed to thrift, cleanliness, order, industry, good citizenship, and an upright way of life.

In this bibliography we see, however, how greatly modified this primary idea has been both by external conditions, and by the varying aims, training and spirit of the representative workers. The settlements themselves have been established not only in the crowded districts of great cities, such as New York, Boston, London, Philadelphia, Chicago, and Kyoto in Japan—they have also been planted in other surroundings, as has been the picturesque Log Cabin Settlement of the mountains of North Carolina.

A different stamp is upon each settlement. There is a wide divergence of methods, and of final aims. One settlement appears to be marked chiefly by the intellectual spirit, another by the ethical, another by medical association, another by the religious aspect,—while of one it is stated plainly: "It is non-sectarian, but avowedly Christian, and openly co-operative with the churches."

All settlements should not be alike. In the nature of things, they cannot be. Each settlement is a unique influence, and a unique power. Each stands for its own independent idea. None should adhere to a narrow or sectarian point of view; all should aim to be leaders in large and liberal social thought.

City Missions are tending more and more to adopt settlement methods in distinctively religious work. By this combination they hope to accomplish the broadest and deepest work of social regeneration. They say that moral suasion alone cannot regenerate a community. Lovely and unselfish lives of cultured residents are not in themselves enough. *Æsthetic* ideals, schools, kindergartens, garbage inspection, soup kitchens, swimming-pools, clubs, and industrial and civic classes are not always effective. The bodies of the poor may be washed, their tenements may be painted and repaired, their courts and alleys cleaned, their children combed and taught, their tastes elevated, their votes turned toward honesty, and their men and women guided toward a better family life,—but all falls short of the desired result and lacks permanency, unless there are deeper forces at work.

Doubtless the religious motive will always be in some form or other the only effectual one in sustaining settlement efforts of the best kind. There remains special work for those settlements that restrain the outward expression of the religious motive which, others making religious work, however non-sectarian, prominent in their efforts, can never do. There is work for all kinds of settlements and no one type can perform adequately the complete settlement function in the complex society of the average slum district.

Since the publication of Miss Jones' bibliography we have received notice of the establishment of two temperance settlements, one in Boston, started by the Massachusetts Y's, and the other in Chicago.

**Christian Missions and Social Progress.**—This is the title of a course of six lectures that have been prepared by the Rev. Dr. James S. Dennis and recently delivered before the students of Princeton Theological Seminary. Dr. Dennis has made a sociological study of foreign missions. The titles of the separate lectures are as follows, and speak in a measure for themselves:

1. The Sociological Scope of Christian Missions.
2. Social Evils of the Non-Christian World.
3. Ineffectual Remedies and the Causes of Their Failure.
4. Christianity, the Social Hope of the Nations.
5. The Dawn of a Sociological Era in Missions.
6. The Contribution of Christian Missions to Social Progress.

Dr. Dennis has issued an outlined syllabus of his course, which will be repeated, by invitation, later in the year at the Auburn Theological Seminary, Auburn, N. Y.; at the Lane Theological Seminary, Cincinnati, Ohio, and at the Western Theological Seminary, Allegheny, Pa.

It is needless to say that such a study as Dr. Dennis has undertaken of Christian missions, from the sociological point of view, is a fruitful field for inquiry. Altogether too little attention has been given to this aspect of practical missionary work, and we believe there is no better method of meeting the hostile criticisms to which missionary enterprises have been subject of late by many travelers in foreign countries, than to interest those who intend to take part in such missionary enterprises, or, at least to defend them, in this phase of the subject. Furthermore, a thorough study of the social effects of Christian teachings in the midst of hostile or semi-hostile civilizations, will go far to bring about the best possible development of Christian missions, and to remedy existing evils so far as they may be well founded.

Dr. Dennis would have added greatly to the usefulness of his syllabus if he had embodied in it references to the literature of his subject. He says in an introductory note that "An unexpected volume of data was discovered through the kindness and courtesy of missionaries, and this special and hitherto somewhat neglected aspect of the subject was found to shed a new lustre over the whole field of mission effort." In so far as his data are available in printed form, Dr. Dennis would have conferred a service on other students of this subject by giving them bibliographical references. In this connection it may be interesting to call attention to an article by Rev. S. F. Moore, of Seoul, Korea, published in the *Assembly Herald*, in the Department of Foreign Missions, edited by Mr. Robert E. Speer, which



contains information as to the social condition of butchers, who are a despised class in Korea and hitherto have not been permitted to wear the ordinary civilian hat and "mangen" worn by all other classes, nor were they considered to be on the same footing with other workingmen. Through the conversion to Christianity and the earnest efforts of one of the converts, Mr. Pack, and some of his fellow butchers, together with the support of the missionaries, a movement was set on foot to get for them recognition on a plane equal to that of other workingmen, and that protection from the government and society that would prevent the higher class of people from beating them and taking away their goods. As the result of efficient effort, the movement was successful, and the butchers, who for the past five hundred years have been treated with contempt by all classes as the very off-scouring of the earth, have been notified by posters, stamped with the government seal, that henceforth they shall be allowed to wear the ordinary civilian hat and "mangen," and they are now rejoicing in a new measure of freedom.

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